Base Prospectus dated 6 May 2022

Suez

(incorporated with limited liability in the Republic of France) as Issuer

€7,500,000,000 Euro Medium Term Note Programme

Under the €7,500,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), Suez ("**Suez**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €7,500,000,000 (or the equivalent in other currencies). Subject to compliance with all relevant laws, regulations and directives, Notes issued by the Issuer may be issued in euro, U.S. dollars, Japanese yen, Swiss francs, Sterling, Renminbi, Hong Kong dollars and in any other currency agreed between the Issuer and the relevant Dealers.

This Base Prospectus constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") in respect of, and for the purposes of giving information with regard to, Suez and all the entities of the New Suez Perimeter (as defined in section "*Description of the Issuer*") taken as a whole (the "**Group**") and the Notes which, according to the particular nature of the Issuer, contains the necessary information which is material to investors for making an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer, the rights attaching to the Notes and the reason for the issuance and its impact on the Issuer.

This Base Prospectus shall be in force for a period of twelve (12) months as of the date of its approval by the *Autorité des marchés financiers* (the "**AMF**"). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

This Base Prospectus has been approved by the AMF in France in its capacity as competent authority under the Prospectus Regulation.

The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Application may be made to Euronext Paris for the period of twelve (12) months from the date of the approval by the AMF of this Base Prospectus, for Notes issued under the Programme to be admitted to trading on Euronext Paris and/or to the relevant authority of any other Member State of the European Economic Area ("**EEA**") for Notes issued under the Programme to be admitted to trading on a Regulated Market in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (the "**ESMA**") (a "**Regulated Market**").

The relevant final terms (the "**Final Terms**") (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant stock exchange. Notes listed on other stock exchanges (whether on a Regulated Market or not) or not listed and admitted to trading may be issued under the Programme.

Notes will be in such denomination(s) as may be specified in the relevant Final Terms, save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market will be €100,000 and, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency, or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency.

Notes may be issued either in dematerialised form (the "**Dematerialised Notes**") or in materialised form (the "**Materialised Notes**") as more fully described herein. Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") which shall credit the accounts of Euroclear France Account Holders (as defined herein) including Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream**") or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder of Notes (a "**Noteholder**"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Registration Agent acting on behalf of the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Euroclear France Account Holders designated by the relevant Noteholders.

The senior unsecured Notes and short term Notes of the Issuer under this Programme have been assigned a rating of Baa1 and Prime 2 respectively by Moody's France SAS ("**Moody's**"). The long-term senior unsecured debt and the short-term senior unsecured debt of the Issuer are currently rated Baa2 with stable outlook and Prime 2 respectively by Moody's. As of the date of this Base Prospectus, Moody's is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 on credit rating agencies (as amended) (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with such regulation. Notes issued under the Programme may be rated or unrated. Notes which are rated will have such rating as is assigned to them by Moody's or such other relevant rating organisation as specified in the Final Terms. The relevant Final Terms will specify whether or not such credit ratings are (i) issued by a credit rating agency established in the European Union and registered under the CRA Regulation and/or (ii) issued or endorsed by a credit rating agency established in the United Kingdom and registered under CRA Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or certified under the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The final terms of the Notes will be determined at the time of the offering of each Tranche and will be set out in the relevant Final Terms.

Prospective investors should have regard to the factors described under the section headed "Risk factors" in this Base Prospectus.

Arranger

Société Générale Corporate & Investment Banking

Dealers

Bank of China	**BBVA**	**BNP Paribas**
CaixaBank	**Crédit Agricole CIB**	**Deutsche Bank**
HSBC	**ING**	**Intesa Sanpaolo**
La Banque Postale	**Mediobanca**	**Mizuho Securities**
Morgan Stanley	**MUFG**	**Natixis**
NatWest Markets	**RBC Capital Markets**	**Santander Corporate & Investment Banking**
SMBC	**Société Générale Corporate & Investment Banking**	**UniCredit**

This Base Prospectus should be read and construed in conjunction with any supplement that may be published from time to time and together with the relevant Final Terms, the Base Prospectus and the Final Terms being together, the "**Prospectus**".

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in "*General Description of the Programme*"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Inflation Linked Notes are not in any way sponsored, endorsed, sold or promoted by the INSEE, Eurostat or BLS, as the case may be, and the INSEE, Eurostat or BLS, as the case may be, makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE, Eurostat or BLS, as the case may be, without regard to the Issuer or the Notes. The INSEE, Eurostat or BLS, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked Notes to be issued or in the determination or calculation of the interest payable under such Notes.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices (as defined herein). Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to any of the Inflation Indices that is or may be material in the context of Inflation Linked Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the holders of Notes or any other party such information (whether or not confidential).

In considering whether to invest in Notes denominated in Renminbi ("**RMB Notes**"), investors should consult their individual tax advisers with regard to the application of People's Republic of China ("**PRC**") tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs / IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the ESMA on 5 February 2018 and which channels for distribution of the Notes are appropriate, determined by the manufacturer(s). Any person subsequently offering, selling or recommending the Notes (a "**distributor**" as defined in MiFID II) should take into consideration such determination; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II product governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

For the avoidance of doubt, the Issuer is not an investment firm as defined by MiFID II and will not be a manufacturer in respect of any Notes issued under the Programme.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*") and which channels for distribution of the Notes are appropriate, determined by the manufacturer(s). Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration such determination; however, a distributor subject to FCA

Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

For the avoidance of doubt, the Issuer is not an investment firm as defined by UK MiFIR and will not be a manufacturer in respect of any Notes issued under the Programme.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO BELGIAN CONSUMERS – Notes issued under the Programme are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, "**consumers**" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") NOR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF MATERIALISED NOTES IN BEARER FORM, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE SECURITIES ACT). FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS BASE PROSPECTUS, SEE "SUBSCRIPTION AND SALE".

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. In particular, potential investors are warned that the tax laws of the investor's jurisdiction or of France (the Issuer's country of incorporation) might have an impact on the income received from the Notes. Potential investors cannot rely upon the tax overview contained in this Base Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

A number of Member States of the European Union are currently negotiating to introduce a financial transactions tax ("**FTT**") in the scope of which transactions in the Notes may fall. The scope of any such tax is still uncertain as well as any potential timing of implementation. If the currently discussed text or any similar tax is adopted, transactions in the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

One or more independent credit rating agencies may assign credit ratings to the Notes and the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in the section "*Risk factors*", and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

No action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required other than in compliance with Article 1.4 of the Prospectus Regulation. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

Neither this Base Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information or representations contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information or representations in this Base Prospectus. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase the Notes. In making an investment decision regarding the Notes, prospective investors must rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. For further details, see "Risk Factors" herein. The contents of this Base Prospectus or any Final Terms are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Dealers or the Arranger has reviewed or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

The combined financial statements of the Issuer's New Suez Perimeter (as defined in section "*Description of the Issuer*" of this Base Prospectus) for the year ended 31 December 2021 with a comparative 2020 data have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and endorsed by the European Union.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**€**", "**Euro**", "**EUR**" or "**euro**" are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999, references to "**£**", "**pounds sterling**", "**GBP**" and "**Sterling**" are to the lawful currency of the United Kingdom, references to "**$**", "**USD**" and "**U.S. Dollars**" are to the lawful currency of the United States of America, references to "**¥**", "**JPY**", "**Japanese yen**" and "**Yen**" are to the lawful currency of Japan, references to "**CHF**" and "**Swiss francs**" are to the lawful currency of Switzerland, references to "**Hong Kong dollars**" and "**HKD**" are to the lawful currency for the time being of Hong Kong, and references to "**RMB**", "**CNY**" or "**Renminbi**" are to the Chinese Yuan Renminbi, the lawful currency of the PRC, which for the purpose of this document excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

Important notice relating to Green Bonds

Prospective investors should have regard to the information set out in the "*Use of Proceeds*" section of the Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Green Bonds together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer that the use of an amount equal to such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

The definition (legal, regulatory or otherwise) of, and market consensus for a particular project to be defined as, a "green" or equivalently labelled project is currently under development. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development. On 18 June 2020, Regulation (EU) No. 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the Council and the European Parliament (the "**Taxonomy Regulation**"). The Taxonomy Regulation establishes a single EU-wide classification system, or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (the "**Climate Delegated Acts**") entered into force on 1st January 2022. However, further development of the Taxonomy Regulation will take place concerning certain specific economic activities and concerning other environmental objectives, in particular with respect to "pollution presentation and control" and "transition to circular economy" which are keys for the Issuer's activities.

If certain definitions and technical eligibility criteria from the Green Bond Framework are based on the Climate Delegated Acts, when relevant, the Green Bond Framework is not fully aligned with the Taxonomy Regulation. The Green Bond Framework is also further based on the 2021 Green Bond Principles voluntary guidelines published by the International Capital Market Association, market practices and expert opinions.

No assurance is or can be given to investors that any Eligible Green Projects will meet any or all investor expectations regarding such objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any Eligible Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the second party opinion provided by Sustainalytics (the "**Second Party Opinion**") or any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Green Bonds and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. Such Second Party Opinion, or any opinion or certification, is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. As a result, neither the Issuer nor the Dealers will be, or shall be deemed, liable for any issue in connection with its content. For the avoidance of doubt, neither the Second Party Opinion, nor any such other opinion or certification is, or shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

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GENERAL DESCRIPTION OF THE PROGRAMME

This overview is a general description of the Programme and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Terms and Conditions of the Notes.

All capitalised terms used and not defined in this section are defined in the Conditions.

Issuer	Suez
Description	Euro Medium Term Note Programme (the "**Programme**").
Legal Entity Identifier ("LEI")	5493007LKZ37MXEN5D79
Website of the Issuer	www.suez.com
Arranger	Société Générale
Dealers	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Bank of China (Europe) S.A. BNP Paribas CaixaBank, S.A. Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft HSBC Continental Europe ING Bank N.V., Belgian Branch Intesa Sanpaolo S.p.A. La Banque Postale Mediobanca - Banca di Credito Finanziario S.p.A. Mizuho Securities Europe GmbH Morgan Stanley Europe SE MUFG Securities (Europe) N.V. Natixis NatWest Markets N.V. RBC Capital Markets (Europe) GmbH SMBC Bank EU AG Société Générale UniCredit Bank AG The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. The identity of the Dealer(s) in respect of a specific Tranche will be disclosed in the relevant Final Terms.

Programme Limit	Up to €7,500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent	Société Générale Luxembourg
Paying Agent and Registration Agent	Société Générale
Risk factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under the heading "*Risk factors relating to the Issuer and the Group*" in the section headed "*Risk Factors*" in this Base Prospectus. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under the heading "*Risks factors relating to the Notes*" in the section headed "*Risk Factors*" in this Base Prospectus.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**"). Each Series may be issued in tranches (each a "**Tranche**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. The specific terms of each Tranche will be set out in the final terms prepared in connection with such Tranche (the "**Final Terms**").
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity from one (1) month from the date of original issue.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro, U.S. dollars, Japanese yen, Swiss francs, Sterling, Renminbi, Hong Kong dollars and in any other currency agreed between the Issuer and the relevant Dealers.
Denomination(s)	Notes will be in such denomination(s) as may be specified in the relevant Final Terms, save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market will be €100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant monetary or financial authority or any laws or regulations applicable to the relevant Specified Currency. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one (1) year from the date of issue and in respect of

which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Form of Notes

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"). Dematerialised Notes will not be exchangeable for Materialised Notes and Materialised Notes will not be exchangeable for Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered (*au nominatif pur*) or administered registered (*au nominatif administré*) form.

The relevant Final Terms will specify whether Dematerialised Notes issued by the Issuer are to be in bearer (*au porteur*) dematerialised form or in registered (*au nominatif*) dematerialised form.

No physical documents of title will be issued in respect of Dematerialised Notes.

Materialised Notes will be in bearer form ("**Materialised Bearer Notes**") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France and the United States.

Conversion of Notes

In the case of Dematerialised Notes, the Noteholders will not have the option to convert from registered (*au nominatif*) form to bearer (*au porteur*) dematerialised form and vice versa.

In the case of Dematerialised Notes issued in registered form (*au nominatif*), the Noteholders will have the option to convert from fully registered dematerialised form (*au nominatif pur*) to administered registered dematerialised form (*au nominatif administré*) and vice versa.

Status of the Notes

The Notes will constitute unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsecured and unsubordinated obligations, indebtedness and guarantees of the Issuer.

Negative Pledge	There will be a negative pledge in respect of the Notes as set out in Condition 4 – see "**Terms and Conditions of the Notes – Negative Pledge**".
Event of Default (including cross-default)	There will be events of default and a cross-default in respect of the Notes as set out in Condition 9 – see "**Terms and Conditions of the Notes – Events of Default**".
Redemption Amount	Unless previously redeemed or purchased and cancelled, each Note shall be finally redeemed on the Maturity Date at its nominal amount, unless otherwise specified in the Final Terms. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one (1) year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Make-Whole Redemption by the Issuer	If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to (i) their Maturity Date or (ii) if a Call Option is specified as applicable in the relevant Final Terms and the Optional Redemption Date is no earlier than 3 months prior to the Maturity Date, the first day on which the Issuer may redeem the Notes pursuant to the Call Option, at the Make-Whole Redemption Amount.
Clean-Up Call Option	If a Clean-Up Call Option is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will have the option to redeem the Notes if a portion of the initial aggregate nominal amount of Notes of the same Series at least equal to a percentage, specified in the relevant Final Terms as the Clean-Up Percentage, has been redeemed or purchased and, in each case, cancelled by the Issuer, the Issuer may redeem the Notes in whole but not in part at par together with any interest accrued to the date set for redemption.
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders.
Early Redemption at the option of the Issuer	Except as provided in "**Optional Redemption**", "**Clean-Up Call Option**" and "**Make-Whole Redemption by the Issuer**" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "**Terms and Conditions of the Notes – Redemption, Purchase and Options**".

Put Option in case of Change of Control	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity, at the option of each Noteholder, further to a change of control of the Issuer, the rating of the Issuer is downgraded, as more fully described in Condition 6(m).
Taxation	All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If French law should require that payments of principal, interest or other assimilated revenues made by the Issuer in respect of any Note or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions. See "**Terms and Conditions of the Notes – Taxation**".
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. Unless a higher minimum rate of interest is provided in the relevant Final Terms, the minimum rate of interest (which, for the avoidance of doubt, includes any applicable margin) shall be deemed to be 0.00 per cent. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (1) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2021 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.; or (2) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified

Currency pursuant to the June 2013 *Fédération Bancaire Française* Master Agreement relating to transactions on forward financial instruments; or

(3) by reference to EURIBOR, CMS Rate or €STR (or any Successor Rate or any Alternative Rate),

and in each case as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Inflation Linked Notes

Payments of principal in respect of redemption of Inflation Linked Notes or of interest in respect of Inflation Linked Notes will be calculated by reference to such index and/or formula provided in the Terms and Conditions of the Notes and as may be specified in the relevant Final Terms.

Benchmark Event

In the event that a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the relevant Final Terms, then the Issuer shall use its reasonable endeavours to appoint an independent adviser to determine a successor or an alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread).

Redenomination

Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European and Economic Monetary Union may be redenominated into euro, all as more fully provided in "**Terms and Conditions of the Notes – Form, Denomination(s), Title and Redenomination of the Notes**".

Consolidation

Notes of one Series may be consolidated with Notes of another Series as more fully provided in "**Terms and Conditions of the Notes – Further Issues and Consolidation**".

Governing Law

The Notes are governed by French law.

Rating

The senior unsecured Notes and short term Notes of the Issuer under this Programme have been assigned a rating of Baa1 and Prime 2 respectively by Moody's France SAS ("**Moody's**"). The long-term senior unsecured debt and the short-term senior unsecured debt of the Issuer are currently rated Baa2 with stable

	outlook and Prime 2 respectively by Moody's. Moody's is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies (as amended) (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with such regulation. Notes issued under the Programme may be rated or unrated. Notes which are rated will have such rating as is assigned to them by Moody's or such other relevant rating organisation as specified in the Final Terms. The relevant Final Terms will specify whether or not such credit ratings are (i) issued by a credit rating agency established in the European Union and registered under the CRA Regulation and/or (ii) issued or endorsed by a credit rating agency established in the United Kingdom and registered under CRA Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or certified under the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Depositaries/ Clearing Systems	Euroclear France as central depositary in relation to Dematerialised Notes and Clearstream, Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s) in relation to Materialised Notes. Transfers between Euroclear and Clearstream participants, on the one hand, and Euroclear France Account Holders, on the other hand, shall be effected directly or via their respective depositaries in accordance with applicable rules and operating procedures established for this purpose by Euroclear and Clearstream, on the one hand, and Euroclear France on the other hand.
Initial Delivery of Dematerialised Notes	One (1) Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre Comptable* or the Application Form relating to such Tranche shall be deposited with Euroclear France as central depositary.
Initial Delivery of Materialised Notes	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s).
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price of the Notes will be specified in the relevant Final Terms.

Admission to trading	Admission to trading on Euronext Paris, or as otherwise specified in the relevant Final Terms. A Series of Notes may be unlisted.
Selling Restrictions	There are restrictions on the offers and sale of Notes and the distribution of offering material in various jurisdictions. See "**Subscription and Sale**".

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and may be material for the purpose of assessing the market risks associated with Notes issued under the Programme. All of these factors are contingencies which may or may not occur.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Investors should in particular conduct their own analysis and evaluation of the risks relating to the Issuer, its financial condition and the Notes. In each sub-category below the Issuer sets out first the most material risks (indicated by an asterisk), in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence. The level of risk considered for the risk factors relating to the Issuer and the Group is a residual risk, after taking into account risk management systems that are in place.

*For the purpose of this section headed "Risk factors", the "**Group**" is defined as the Issuer and its subsidiaries.*

Terms defined herein shall have the same meaning as in the Terms and Conditions of the Notes.

(A) Risk factors relating to the Issuer and the Group

1. Strategic risks

(a) Risks related to climate change and changing 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 some changes in regulations could impact some activities.

- **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 that the Group observes year after year. In Australia, for example, devastating forest fires have polluted primary water resources. The same extreme climatic phenomena may also affect, to a lesser extent, the waste, water or electricity distribution activities of other vulnerable regions where the Group operates, such as Australia, Morocco, China or the South of France, as shown by the flooding episodes experienced in the North of Morocco, the Henan province in China or the Cannes, Grasse and Agen regions. This risk is increased by the broad geographical scope of the Group's operations and the fact that the Group's operations are commonly large, key infrastructure facilities located in sometimes environmentally sensitive areas. The Group takes this risk into account in relation to service continuity risks as well as reputation risk described below.

- **Transition risks related to climate change**

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.

Regulations related to greenhouse gas (GHG) emissions do not yet include the waste management sector in an emissions tax mechanism, although some of the Group's activities related to the production of energy or secondary raw materials (solid recovered fuels, chemicals) may be eligible. At this stage, different scenarios are possible, with positive or negative impacts depending on the configurations envisaged. The Group's most energy-intensive activities will nevertheless be increasingly covered by carbon pricing mechanisms.

In addition, as part of the roll-out of the EU Action Plan for Sustainable Finance Growth, a European taxonomy of sustainable activities has been established in 2021 to identify economic activities that can be classified as environmentally "sustainable". The full implementation of the scheme is expected to be completed by 2023. This could ultimately contribute to focusing investments on only part of the waste management and recovery activities, to the detriment of the Group's other business activities that also have a positive environmental impact that is not recognised within the narrow framework according to the defined criteria.

Risks related to the environmental regulatory compliance of the Group's business activities*

More generally, the Group's businesses are subject to increasingly stringent environmental protection, public health and safety regulations, which differ from country to country. These rules apply to water discharges, 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 which may result in inconsistent application or enforcement 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.

A change or strengthening of the regulatory framework could result in additional costs or investments for the Group. Subsequently, the Group could be forced to reduce, temporarily interrupt, or even discontinue one or more activities with no assurance of being able to offset for 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.

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.

*(b) 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. 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.

It is also important that the Group maintains good relations with the governments and regulatory authorities of the jurisdictions in which the Group operates. Any deterioration in the Group's relations with the governments and regulatory authorities in the jurisdictions in which it operates could adversely affect the Group's ability to develop its business in these jurisdictions.

*(c) Risks of commercial losses and re-municipalisation**

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 especially in France. 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 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 cancelled 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, at the end of their respective terms, 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.

Prior to the expiry of any contract, the Group will seek to initiate discussions in relation to, and, if successful, will enter into negotiations relating to, the extension or renewal of these contracts. Should the Group determine that there is a significant risk of non-extension or be unable to extend such contracts, the Group may recognise impairment charges in respect of certain of these assets in the future. To the extent that, in the future, any of the Group's long-term contracts expires and the Group is unable to replace the capacity, whether by extension or investment in new facilities, the Group's business, results of operations and prospects could be adversely affected by either or both of impairment charges and lost revenue.

(d) Risks related to inflation*

The risk of inflation is spreading throughout Europe and worldwide. This results in an increase in the cost of raw materials, equipment or labour. Not all contracts operated by the Group incorporate price revision clauses. Even for contracts where this possibility exists, the indexation formula may not be fully offset by the price increases, resulting in a negative impact on the Group's activity, earnings and outlook.

In addition, it is not possible to exclude potential effects on the overall political and labour environment (similar to the "yellow vest" crisis in France) with a degradation of the social climate in the society and within the Group.

(e) Risk related to the economic downturn triggered by the Covid-19 crisis*

The global health crisis caused by the Covid-19 epidemic led to successive sharp downturns in economic activity until the first quarter of 2021. The rapid expansion of immunisation campaigns, combined with massive government support for business, has led to a stronger-than-expected recovery, pointing to a clearer horizon in the short to medium term. However, the low levels of vaccination in certain regions of the world (Africa, Asia) mean that there is still a risk of the emergence of new pathogenic variants, which could lead to the implementation of new measures to curb the epidemic (teleworking, confinements, etc.).

In addition to the severe deterioration of public accounts (debt, successive deficits), the health crisis has significantly degraded the cash flow of a large number of companies. The overall risk linked to the collection of receivables is therefore also aggravated by the pandemic because of the difficulties encountered by the various economic agents: companies, but also administrations and households.

(f) Risk of 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, 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.

(g) Risks 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 societal 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. A similar downward trend in volumes consumed has also been observed 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 respond to meet changing regulations, and making tariff adjustments. However, if these developments are not sufficient in the future to offset the reduced volume, there maybe 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.

Regulatory changes could also have an impact on prices, margins, investments, operations and consequently the Group’s business activities, earnings and outlook. 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.

(h) 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. Subject to the confirmation that the Group will pursue this multi-annual performance plan, the Group needs to transform its operating model.

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.

2. Operational risks

*(a) Risk related to the quality of water, products and services**

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 such as the historic forest fires in Australia, which will reveal even more technological challenges to meet water quality and service continuity standards. Discharges of effluent treated from wastewater treatment plants into dry rivers may become increasingly frequent and 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 perfluorinated compounds in Europe;

- Compliance requirements for recycled materials such as compost, solid recovered fuels, 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 Smart & Environmental Solutions business line.

*(b) 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.

Issues relating to soil pollution in the event of accidental spills concern the storage of hazardous products or liquids or leaks from processes involving hazardous liquids as well as the storage and spreading of treatment 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.

Moreover, according to Directive 2012/18/EU of 4 July 2012, Suez operates Seveso-designated within the European Union. Suez also operates other hazardous industrial sites for which it strives to apply the same high industrial safety standards.

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

(c) Risks related to cybersecurity, data protection and unavailability of information systems*

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.

The risks due to cyber security 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. The increasing vigilance of authorities (EU and non-EU) regarding the protection of personal data, combined with the increase in penalties imposed on companies that fail to manage this information, means that there is still a significant risk despite the Group's progress in this area. Software, sites, media and customer interfaces are by nature the most sensitive to this risk within the Group.

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

(d) Risks related to service continuity

These risks are first and foremost related to interruptions in water services, caused by events such as accidental pollution or maintenance failures. 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 would have a significant health impact on the Group's employees at the operating sites.

The main risks identified are in Australia and Morocco. 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 metropolitanisation 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.

(e) Recruitment, skills and succession risks

The Group carries out its various activities through a wide range of expertise within its population of technicians and managers. In order to avoid the loss of key skills, the Group must anticipate labour needs for certain positions. Furthermore, international growth and the evolution of the Group's businesses require new know-how and a high degree of staff mobility, particularly among managers.

In particular, Suez has identified risks such as shortages in critical skills (e.g. sales forces for the industrial sector, large project managers or mega-data experts) or in activities new to the Group such as smart cities or digital, difficulties in defining succession plans that could affect the continuity of operations or project management, an ageing workforce due to the demographics in certain countries.

The Group's success depends on its ability to map existing skills, recruit, train and retain a sufficient number of employees, including senior managers, engineers and technicians, and salespeople (particularly for industrial markets) with the required skills, expertise and local knowledge. The Group is likely to face challenges in recruiting and retaining such employees as a result of intense competition for personnel with relevant experience.

The economic recovery has also highlighted the structural imbalances in the labour market in European economies. The Group, faces the growing risk of experiencing the labour shortages that some sectors are already experiencing in Europe.

An inability to recruit, train or retain necessary personnel could have a material adverse effect on the Group’s business, financial condition and results of operations.

(f) Construction risk

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

These risks are related to the completion of fixed price turnkey contracts. Under the terms of such contracts, subsidiaries agree to engineer, design and build operation-ready plants for a fixed price. Actual expenses resulting from the execution of 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 labour;
- an inability to complete projects on schedule or within budgeted amounts;
- not obtaining, or delays in obtaining, the necessary construction or operation licences or authorisations;
- unexpected construction conditions;
- delays due to weather conditions, and/or natural phenomena (particularly earthquakes, floods or pandemics);
- not achieving expected performance or unforeseen technological difficulties;
- failure to achieve agreed technical parameters at completion;
- bot being able to obtain enough resources required per the contract for project management or oversight, in particular when the Group assumes the role of integrator in waste infrastructure design and construction projects;
- non-performance by partners, suppliers or subcontractors.

For example, the Group suffered in 2011 from construction costs overrun and delays in the design & build activities of a desalination plant in Melbourne, Australia.

The terms of a fixed-price lump sum 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 difficulties 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.

(g) Risks related to transition

After months of uncertainties unleashed by the takeover bid by Veolia, and the successful finalisation of the carve-out, the Group is in the process of building its strategy and operating model in its revised configuration. Transition risks exist in some areas such as governance set up or talent management that need to be quickly addressed.

The Group's success depends on its ability to map existing skills and identify potential shortages in critical skills or regions, in order to avoid any difficulty in deploying the roadmap. Any loss in the future of the services of key members of the Group's senior management or staff with institutional knowledge could cause delays in meeting its strategic objectives and could have an adverse effect on its business operations.

3. Financial risks

*(a) The results of operations and financial position of the Group for future periods may be materially different from those presented or implied by the Combined Financial Statements**

The combined financial statements of the New Suez Perimeter (as defined in section "*Description of the Issuer*") for the year ended 31 December 2021 (the "**Combined Financial Statements**") were prepared to illustrate the results of operations and financial position of the entities, assets and liabilities constituting the operational activity of the New Suez Perimeter prior to the legal reorganisation following which the New Suez Perimeter became controlled by the Issuer and do not constitute pro forma financial information within the meaning of the Commission Delegated Regulation (EU) 2019/980. The Combined Financial Statements have been prepared on the basis of the following: (i) the integration methods used by Former SUEZ in its historical financial statements for the financial years 2020 and 2021, (ii) the accounting methods and principles and material assumptions used by Former SUEZ, (iii) the assets and liabilities' values retained in the Combined Financial Statements are those used by Former SUEZ, and other element, all as more fully described in Note 1.2 "*Basis of presentation of the combined accounts*" of the Combined Financial Statements. The Combined Financial Statements are presented for illustrative purposes only and do not reflect the operating results that the New Suez Perimeter would have obtained had the New Suez Perimeter existed as a separate legal entity as of the dates indicated therein. Accordingly, the Group's results in the future may differ significantly from those portrayed or implied by the Combined Financial Statements.

(b) Interest rate risk

The Group's exposure to interest rate risk derives mainly from its floating rate net financial debt, including in particular borrowings under the Bridge Loan and the Term Loan (each as defined in section "*Description of the Issuer*") entered into by the Issuer in the context of, and for the purpose of, financing the acquisition of the New Suez Perimeter by the Issuer and which are intended to be refinanced, including by way of issue of Notes under the Programme. An increase in interest rates could force the Group to finance or refinance its future needs at a higher cost.

The Group's policy is to diversify its net debt 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 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 Group Treasury.

(c) Currency risk

Given the nature of its activities, the Group has limited exposure to currency risk on transactions, meaning flows relating to the activities of the Issuer and its subsidiaries are primarily denominated in their local currency, with activities denominated in Euros representing approximately 77% of the New Suez Perimeter's revenues as of 31 December 2021.

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.

(d) Liquidity risk

Some borrowings contracted by Group subsidiaries, or by the Group on behalf of its subsidiaries, such as the Facilities Agreement (as defined in section "*Description of the Issuer*"), include clauses requiring certain ratios to be maintained. As of the 31 January 2022, the total financial debt of the Issuer amounted to €4,451 million and, pursuant to the provisions of the Purchase Agreement relating to the adjustment of the purchase price of the New Suez Perimeter, the Issuer may have to increase its borrowings in the future, should the final purchase price be adjusted upwards. 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. Failure to comply with these covenants could lead lenders to declare a covenant event of default and demand early repayment.

(e) Risks linked to price fluctuations of certain commodities and energy

Any health, political or economic crisis could lead to a severe and sharp contraction in global GDP and to price fluctuations of certain commodities and energy. During the Covid-19 crisis, the simultaneous increase in demand in many parts of the world has increased the pressure on raw and secondary materials and pushed up their prices. Moreover, the current geopolitical crisis in Ukraine and its consequences on the supply chain, energy markets, and the economy could potentially negatively affect the Group, even though the Group does not have any activity in Russia and Belarus and has low exposure to Ukraine where the Group performs limited consulting activities for local clients.

The Group's waste collection and recovery activities use commodities and energy, especially diesel and electricity, so it is exposed to any fluctuations in their prices. The risks associated with the price of diesel and electricity are usually mitigated by mechanisms for revising and indexing the tariffs provided for in the Group's contracts with customers, 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. An economic downturn resulting in 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.

(B) Risk factors relating to the Notes

1. Risk factors relating to all Series of Notes

French Insolvency Law

The Issuer is a *société anonyme* with its registered office in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the "centre of main interests" (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 have been transposed into French law by the *Ordonnance* 2021-1193 dated 15 September 2021. Such *Ordonnance*, applicable as from 1st October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this *Ordonnance*, "affected parties" (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. Any decisions taken by a class of affected parties could materially and negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Issuer.

Credit Risk

As contemplated in Condition 3, the Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer. However, an investment in the Notes involves taking credit risk on the Issuer. If the financial situation of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, which could materially and negatively impact the Noteholders and investors may lose all or part of their investment.

Meetings and vote of Noteholders, Modification and waivers

Condition 11 contains provisions for calling meetings of Noteholders or for consulting Noteholders through Written Resolutions to consider matters affecting their interests generally (but Noteholders will not be grouped in a *masse* having legal personality governed by the provisions of the French *Code de commerce* and will not be represented by a representative of the *masse*), including without limitation the modification of the Terms and Conditions of the Notes. These provisions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend (or were not represented) and vote at the relevant General Meeting, Noteholders who voted in a manner contrary to the majority and Noteholders who did not respond to, or rejected, the relevant Written Resolution. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes and hence investors may lose part of their investment.

2. Risk factors relating to the structure and features of a particular issue of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Series of Notes may carry varying risks for Noteholders depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

<u>Risk factors relating to the Interest payable on the Notes</u>

Fixed Rate Notes

As contemplated in Condition 5(b), the Issuer may issue Fixed Rate Notes bearing interest on its outstanding nominal amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date.

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Series of Notes and Noteholders may lose all or part of their investment in the Notes and therefore their interests may be significantly negatively altered.

Floating Rate Notes

As contemplated in Condition 5(c), investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such reference rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. As a result, Noteholders may lose all or part of their investments in the Notes and therefore their interests may be significantly negatively altered.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

As contemplated in Condition 5(d), a key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Final Terms provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate, consisting in the reference rate and the relevant margin, be lower than the relevant margin, provided that in no event will the relevant interest amount be less than zero. As a result, Noteholders may lose all or part of their investments in the Notes and therefore their interests may be significantly negatively altered.

Fixed/Floating Rate Notes

As contemplated in Condition 5(d), the Fixed/Floating Rate Notes bear interest at a rate that, automatically or upon decision of the Issuer at a date specified in the Final Terms, can be converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate. The (automatic or optional) conversion may affect the secondary market and the market value of the Notes as it can lead to a reduction of the total borrowing costs. If a Fixed Rate is converted into a Floating Rate, the rate spread between the Fixed Rate and the Floating Rate may be less in favour than the rate spreads on comparable Floating Rate Notes that have the same reference rate. In addition, the new floating rate may be, at any time, lower than the interest rates of other Notes. If a Floating Rate is converted into a Fixed Rate, the Fixed Rate may be lower than the rates applicable to these Notes and any such volatility may have an adverse effect on the market value of the Notes.

Investors should refer to risk factors set out in the risk factors entitled “Fixed Rate Notes” and “Floating Rate Notes”.

Reform and regulation of “benchmarks”

Pursuant to Condition 5(c) and where the relevant Final Terms for a Series of Floating Rate Notes identifies that the Rate of Interest for such Notes will be determined by reference to the Euro Interbank Offered Rate (“**EURIBOR**”) or other indices which are deemed to be “benchmarks”. EURIBOR and other indices are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequences could have a material adverse effect on the liquidity and value of and return on any Notes linked to such a "benchmark".

The purpose of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds published in the Official Journal of the European Union on 29 June 2016 (as amended, the "**Benchmarks Regulation**") is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interests arising. Most of the provisions of the Benchmarks Regulation have applied since 1 January 2018.

The Benchmarks Regulation applies to the provisions of "benchmarks", the contribution of input data to a "benchmark" and the use of a "benchmark" within the EU. The Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU-based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, applies to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue or via a systematic internaliser, financial contracts and investment funds.

The Benchmarks Regulation could have a material adverse impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular:

- an index that is a "benchmark" may not be permitted to be used by a supervised entity (including the Issuer) in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- if the methodology or other terms of the "benchmark" are changed in order to comply with the requirement of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark" and as a consequence, Noteholders could lose part of their investment or receive less income than would have been the case without such change.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to certain "benchmarks", (ii) trigger changes in the rules or methodologies used in certain "benchmarks", or (iii) lead to the disappearance of certain "benchmarks".

Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

If a Benchmark Event occurs, the rate of interest on Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes (please refer to the risk factor entitled "*Floating Rate Notes – Benchmark Event*" below).

Depending on the manner in which a benchmark rate is to be determined under the Terms and Conditions of the Notes, this may in certain circumstances (i) if ISDA Determination or FBF Determination applies, result in the application of a backward-looking, risk-free overnight rate, whereas the benchmark rate is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes linked to or referencing a "benchmark".

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 has amended the existing provisions of the Benchmarks Regulation by extending the transitional provisions applicable to material benchmarks and third-country benchmarks until the end of 2021. The existing provisions of the Benchmarks Regulation were further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 published in the Official Journal of the European Union on 12 February 2021 and applies since 13 February 2021 (the "**Amending Regulation**").

The Amending Regulation introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks by conferring on the Commission or competent national authorities the power to designate a statutory replacement for certain benchmarks, resulting in such benchmarks being replaced in contracts and financial instruments that have not been renegotiated before the date of cessation of the relevant benchmarks and contain either no contractual replacement (or so-called "fallback provision") or a fallback provision which is deemed unsuitable by the Commission or competent national authorities. For instance, if pursuant to a fallback provision included in the Condition 5(c)(iii)(D) of the Terms and Conditions of the Notes a benchmark is replaced by a benchmark which no longer reflects or which significantly diverges from the underlying market or the economic reality that the benchmark in cessation is intended to measure, a statutory replacement of such benchmark may be designated. This replacement could have a negative impact on the value or liquidity of, and return on, certain Notes issued under the Programme linked to or referencing such benchmark and may not operate as intended at the relevant time or may perform differently from the discontinued or otherwise unavailable benchmark. In addition, the Amending Regulation extended the transitional provisions applicable to third-country benchmarks until the end of 2023 and empowered the Commission to further extend this transitional period until the end of 2025, if necessary. Such developments may create uncertainty regarding any future legislative or regulatory requirements arising from the implementation of delegated regulations.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

The market continues to develop in relation to risk free rates, such as the Euro short term rate ("**€STR**"), the Sterling Overnight Index Average and the Secured Overnight Financing Rates, as reference rates in the capital markets for euro, sterling or U.S. dollar bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Notes that reference a risk free rate issued under this Base Prospectus. The Issuer may in the future issue notes referencing €STR, pursuant to Conditions 5(c)(iii)(C)(VI) of the Terms and Conditions of the Notes, in a way that differs materially in terms of interest determination when compared with any previous notes issued by the Issuer referencing €STR.

The nascent development of the use of €STR as interest reference rate for bond markets, as well as continued development of €STR-based rates for such markets and of the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. Interest on Notes which reference a risk free rate is only capable of being determined shortly prior to the relevant Interest Payment Date.

In addition, as €STR is published by the European Central Bank, the Issuer has no control over its determination, calculation or publication. €STR may be discontinued or fundamentally altered in a manner that is materially adverse to the interests of Noteholders.

The mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes.

To the extent the €STR reference rate is discontinued or is no longer published as described in the Terms and Conditions, the applicable rate to be used to calculate the Rate of Interest on the Notes will be determined using the alternative methods described in the Condition 5(c)(iii)(C)(VI) of the Terms and Conditions of the Notes. Such methods may result in interest payments that are lower than, or do not otherwise correlate over time with, the payment that would have been made on the Notes if the €STR reference rate had been provided by the European Central Bank in its current form. Accordingly, an investment in any such Floating Rate Notes may entail significant risks not associated with similar investments in convention debt securities.

Floating Rate Notes – Benchmark Event

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined (but not in respect of €STR), and EURIBOR or another Reference Rate has been selected as the Reference Rate, Condition 5(c)(iii)(C) provides that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, Condition 5(c)(iii)(C) provides for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was unavailable (and solely in the context that such unavailability does not qualify as a Benchmark Event). Uncertainty as to the continuation of such Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if such Original Reference Rate is unavailable may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event (as defined in Condition 5(a)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes also provide that an Adjustment Spread (as defined in Condition 5(a)) may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the Rate of Interest applicable to the first Interest Period.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the Rate of Interest applicable to the first Interest Period, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the Rate of Interest applicable to the first Interest Period, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming fixed rate Notes. Noteholders may, in such circumstances, be materially affected and receive a lower interest as they would have expected if an Independent Adviser had been determined or if such Independent Adviser did not fail to determine such Successor or Alternative Rate.

Risk factors relating to Zero Coupon Notes

As contemplated by Condition 5(e), the Issuer may issue Zero Coupon Notes. Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk and Noteholders may, as a result, lose all or part of their investment in the Notes.

Risk factors relating to the Redemption of the Notes

Notes subject to early redemption

The Issuer has the option, if so provided in the relevant Final Terms, to redeem the Notes, under a call option, in whole or in part, as provided in Condition 6(b), a make-whole call option, in whole or in part, as provided in Condition 6(c) or a clean-up call option, in whole but not in part, as provided in Condition 6(d). In particular, with respect to the Clean-Up Call Option, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform Noteholders if and when the Clean-Up Percentage (as specified in the relevant Final Terms) has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call Option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

In addition, the Issuer may, and in certain circumstances shall, redeem the Notes in whole but not in part, further to the occurrence of certain withholding tax events described in Condition 6(h).

Any optional redemption feature where the Issuer is given the right to redeem the Notes early might negatively affect the market value of such Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Furthermore, since the Issuer may be expected to redeem the Notes when prevailing interest rates are relatively low, an investor might not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed.

As a consequence, the yield received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

All of the above may reduce the profits potential investors in the Notes may have expected in subscribing the Notes and could have significant impact on the Noteholders.

The Make-Whole Redemption by the Issuer and the Redemption at the Option of the Issuer are exercisable in whole or in part and exercise of the Make-Whole Redemption by the Issuer or the Redemption at the Option of the Issuer in respect of certain Notes may affect the liquidity of the Notes in respect of which such option is not exercised

The Make-Whole Redemption by the Issuer provided in Condition 6(c) and the Redemption at the Option of the Issuer provided in Condition 6(b) are exercisable in whole or in part.

If the Issuer decides to redeem the Notes in part only, such partial redemption shall be effected by reducing the nominal amount of all such Notes in proportion to the aggregate nominal amount redeemed.

Depending on the proportion of the principal amount of all of the Notes so reduced, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid and Noteholders may lose part of their investment.

Exercise of the Put Option in case of Change of Control in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised

Depending on the number of Notes of the same Series in respect of which the Put Option in case of Change of Control provided in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid and Noteholders may lose part of their investment.

<u>Risk factors relating to Green Bonds</u>

The use of proceeds of the Notes identified as Green Bonds may not be suitable for the investment criteria of a Noteholder

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to issue "green bonds" (the "**Green Bonds**") and apply an amount equal to the net proceeds to finance and/or re-finance, in whole or in part, new or existing projects from any of the Eligible Green Projects, as defined in the "*Use of Proceeds*" section of the relevant Final Terms and further described in the Issuer's green bond framework (as amended and supplemented from time to time) (the "**Green Bond Framework**") available on the Issuer's website (https://www.suez.com/-/media/suez-global/files/publication-docs/pdf-english/finance/suez-greenbondframework-en-2022.pdf?open=true).

The definition (legal, regulatory or otherwise) of, and market consensus for a particular project to be defined as, a "green" or equivalently labelled project is currently under development. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development. On 18 June 2020, the Taxonomy Regulation was adopted by the Council and the European Parliament. The Taxonomy Regulation establishes a single EU-wide classification system, or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. Climate Delegated Acts entered into force on 1st January 2022. However, further development of the Taxonomy Regulation will take place concerning certain specific economic activities and concerning other environmental objectives, in particular with respect to "pollution presentation and control" and "transition to circular economy" which are keys for the Issuer's activities.

While it is the intention of the Issuer to apply an amount equal to the proceeds of the Green Bonds in, or substantially in, the manner described in "*Use of Proceeds*", the Eligible Green Projects may not be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds may not be totally or partially disbursed for the Eligible Green Projects. Moreover, the Eligible Green Projects may not be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes or a default of the Issuer for any purpose.

Any such event or failure and/or withdrawal of the Second Party Opinion or any such other opinion or certification may have a material adverse effect on the value and marketability of the Green Bonds and/or result in adverse consequences for Noteholders with portfolio mandates to invest in securities to be used for a particular purpose.

Risk factors relating to Notes linked to or referencing a specific underlying

Risk factors relating to Inflation Linked Notes

As contemplated in Condition 5(c), the Issuer may issue Notes with principal or interest determined by reference to the rate of inflation in France, in the European Monetary Union or in the United States of America ("**Inflation Linked Notes**"), where interest amounts and/or principal are dependent upon the performance of an inflation index, which will be one of (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index (the "**CPI**"), as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* ("**INSEE**"), (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the "**HICP**") or (iii) the United States non-seasonally adjusted consumer price index for all urban consumers as reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor ("**BLS**") and published on Bloomberg page "CPURNSA" or any successor source ("**US CPI**") (each an "**Inflation Index**" and together, the "**Inflation Indices**"). If the value of the relevant index calculated at any time prior to the maturity date is lower than the value of the relevant index at the time of the issue of the Notes or at the time of purchase by the Noteholders, then the amount of interest payable by the Issuer and/or the principal of Inflation Linked Notes may vary. Noteholders may receive no interest. However, if, at maturity, the level of the relevant Inflation Index is less than 1.00, the Notes will be redeemed at par.

The above factors could materially and adversely affect the liquidity of the Notes and investors could lose all or part of their investment.

Risk factors relating to the denomination of the Notes

Risk factors relating to Renminbi-denominated Notes

The relevant Final Terms in relation to any Series of Notes may specify that the Notes are denominated in RMB ("**RMB Notes**"). RMB Notes contain particular risks for potential investors.

RMB is not freely convertible and may adversely affect the liquidity of RMB Notes

RMB is not freely convertible at present. The PRC government continues to regulate conversion between RMB and foreign currencies, including the U.S. dollar, despite the significant reduction over the years by the PRC government of its control over routine foreign exchange transactions under current accounts.

Remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

Although RMB was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to RMB to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China ("**PBOC**") in 2018, the PRC government may not continue to liberalise the control over cross-border RMB remittances in the future, any pilot schemes for RMB cross-border utilisation may be discontinued or new PRC regulations may be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC. In the event that the Issuer funds cannot be repatriated outside the PRC in RMB, this may affect overall availability of RMB outside the PRC and the ability of the Issuer to source RMB to finance its obligations under the RMB Notes.

There is only limited availability of RMB outside the PRC, which may affect the liquidity of the RMB Notes and the Issuer's ability to source RMB outside the PRC to service such RMB Notes.

As a result of the restrictions imposed by the PRC government on cross border RMB fund flows, the availability of RMB outside the PRC is limited. In efforts to internationalise the RMB, the PBOC has established RMB clearing and settlement systems for participating banks in various countries through settlement agreements (the "**Settlement Agreements**") on the clearing of RMB business with financial institutions in a number of financial centres and cities (each, a "**RMB Clearing Bank**") and these RMB Clearing Banks have been permitted to engage in the settlement of RMB trade transactions.

However, the current size of RMB-denominated financial assets outside the PRC is limited. There are restrictions imposed by the PBOC on RMB business participating banks in respect of cross-border RMB settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, RMB business participating banks do not have direct RMB liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to its own onshore liquidity support from the PBOC to square open positions of its relevant participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In each case, the participating banks will need to source RMB from outside the PRC to square such open positions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. New PRC regulations may be promulgated in the future or the Settlement Agreements may be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source RMB in the offshore market to service its RMB Notes, the Issuer may not be able to source such RMB on satisfactory terms, if at all. Should the Issuer resort to using another currency, such as U.S. dollar, to respect its payment obligations under the RMB Notes, the relevant Noteholders may lose part of their investment when converting such currency back into RMB, depending on the prevailing exchange rate at that time.

Risk factors relating to the market generally

Liquidity Risks/Trading Market for the Notes

Application may be made to list and/or admit Series of Notes issuer hereunder on Euronext Paris and/or any other Regulated Market (as the case may be and if a request for the notification of a certificate of approval has been made). The Notes may not have an established trading market when issued and one may never develop. If a market does develop, it may not be liquid. The absence of liquidity may have a significant material adverse effect on the value of the Notes.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, the financial condition, the creditworthiness of the Issuer and/or the Group, and the value of any applicable reference rate, as well as other factors such as the complexity and volatility of the reference rate, the method of calculating the return to be paid in respect of such Notes, the time remaining to the maturity of the Notes, the outstanding amount of the Notes, any redemption features of the Notes, the performance of other instruments (e.g., commodities or securities) linked to the reference rates and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Notes. In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

As a consequence, investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield and as a result, investors could lose all or part of their investment in the Notes.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and/or that of the Group (as at the date of this Base Prospectus, the long-term senior unsecured debt and the short-term senior unsecured debt of the Issuer are currently rated Baa2 with stable outlook and Prime 2 respectively by Moody's France SAS) and a number of additional factors, including, but not limited to, the volatility of market interest and yield rates and the time remaining to the maturity date.

Application will be made in certain circumstances to admit the Notes on Euronext Paris and application may be made for the listing and admission to trading on any other Regulated Market.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder and result in losing part of its investment in the Notes.

Exchange Rate Risks and Exchange Controls

The Programme allows for Notes to be issued in a range of currencies. The principal of, or any return on, Notes may be payable in, or determined by reference to, one or more specified currencies (including exchange rates and swap indices between currencies or currency units). For investors whose financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency in which the related Notes are denominated, or where principal or return in respect of Notes is payable by reference to the value of one or more specified currencies other than by reference solely to the Investor's Currency, an investment in such Notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in such Investor's Currency. Such risks include, without limitation, the possibility of significant fluctuations in the rate of exchange between the applicable specified currency and the Investor's Currency and the possibility of the imposition or modification of exchange controls by authorities with jurisdiction over such specified currency or the Investor's Currency. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control.

Appreciation in the value of the Investor's Currency relative to the value of the applicable specified currency would result in a decrease in the Investor's Currency-equivalent yield on a Note denominated, or the principal of or return on which is payable, in such specified currency, in the Investor's Currency-equivalent value of the principal of such Note payable at maturity (if any) and generally in the Investor's Currency-equivalent market value of such Note. In addition, depending on the specific terms of a Note denominated in, or the payment of which is determined by reference to the value of, one or more specified currencies (other than solely the Investor's Currency), fluctuations in exchange rates relating to any of the currencies or currency units involved could result in a decrease in the effective yield on such Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note to the investor.

Government and monetary authorities may also impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, if this risk ever materialises, investors may receive less interest or principal than expected, or no interest or principal at all.

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "**believe**", "**expect**", "**project**", "**anticipate**", "**seek**", "**estimate**" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward looking statements do not constitute profit forecasts or estimates under Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation (as amended, the "**Commission Delegated Regulation**").

DOCUMENTS ON DISPLAY

1. A copy of this Base Prospectus, together with any supplement to this Base Prospectus, the constitutive documents (*statuts*) of the Issuer, all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus, the terms and conditions of the Sonate TopCO ORAs issued on 28 January 2022 and the Sonate TopCo Undertaking Agreement (as amended or supplemented, as the case may be) may be obtained, free of charge, at the registered office of the Issuer during normal business hours.

2. The following documents will be available, if relevant, on the website of the AMF (www.amf-france.org) and of the Issuer (www.suez.com):

   (1) the Final Terms for Notes that are admitted to trading on Euronext Paris; and

   (2) this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer is required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 23 of the Prospectus Regulation and Article 18 of Commission Delegated Regulation (EU) 2019/979, as amended, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which in respect of any subsequent issue of Notes to be admitted to trading on Euronext Paris or on a Regulated Market, shall constitute a prospectus supplement as required by Article 23 of the Prospectus Regulation.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms and excepting sentences in italics, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

An agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 6 May 2022 has been agreed between Suez (the "**Issuer**"), Société Générale Luxembourg as fiscal agent, principal paying agent, redenomination agent, consolidation and calculation agent and Société Générale as paying agent and registration agent.

The fiscal agent, the paying agents, the redenomination agent, the consolidation agent, the calculation agent(s) and the make-whole calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registration Agent**", the "**Redenomination Agent**", the "**Consolidation Agent**", the "**Calculation Agent(s)**" and the "**Make-Whole Calculation Agent(s)**".

The holders of Dematerialised Notes and Materialised Notes, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the "**Talons**") for further Coupons (the "**Couponholders**") are deemed to have notice of all of the provisions of the Agency Agreement.

For the purpose of these Terms and Conditions:

- "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in Directive 2014/65/EU, as amended;

- "**day**" means a calendar day.

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

1. FORM, DENOMINATION(S), TITLE AND REDENOMINATION OF THE NOTES

(a) **Form of Notes**: Notes may be issued by the Issuer either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

(i) Dematerialised Notes are issued, as specified in the relevant Final Terms (the "**Final Terms**"), in (x) bearer dematerialised form (*au porteur*) only, in which case they are inscribed in the books of Euroclear France (acting as central depositary) which credits the accounts of Euroclear France Account Holders (as defined below), (y) in registered dematerialised form (*au nominatif*) only and, in such case, at the option of the relevant Noteholder, either in administered registered dematerialised form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Euroclear France Account Holders designated by the relevant Noteholders or in fully registered dematerialised form (*au nominatif pur*) inscribed in an account maintained by the Registration Agent acting on behalf of the Issuer.

Unless this possibility is expressly excluded in the relevant Final Terms, according to Article L. 228-2 of the French *Code de commerce*, the Issuer may at any time request from the central depositary identification information of holders of Dematerialised Notes in bearer form (*au porteur*) such as the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, email address of such holders.

For the purpose of these Conditions, "**Euroclear France Account Holder**" means any financial intermediary institution entitled to hold directly or indirectly accounts on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Banking, SA ("**Clearstream**") and Euroclear Bank SA/NV ("**Euroclear**").

(ii) Materialised Notes are issued in bearer form ("**Materialised Bearer Notes**"). Materialised Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 et seq. and R.211-1 et seq. of the French Code monétaire et financier, securities (such as the Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s)**: Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market will be €100,000, and if the Notes are denominated in a currency other than euro, the equivalent amount in each such currency (the "**Specified Denomination(s)**") or such higher amount as may be allowed or required from time to time by the relevant monetary or financial authority or any applicable laws or regulations. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title**:

(i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes. Title to Dematerialised Notes issued in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Euroclear France Account Holders. Title to Dematerialised Notes issued in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.

(ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Bearer Notes**"), shall pass by delivery.

(iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(iv) In these Conditions, "**holder of Notes**" or "**holder of any Note**" or "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Euroclear France Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes; (ii) in the case of Definitive Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Coupons, or Talon relating to it, and (iii) in the case of Materialised Notes in respect of which a Temporary Global Certificate has been issued and is outstanding, each person (other than a clearing institution) who appears as a holder of such Notes or of a particular nominal amount of interests in such Notes, in accordance with the applicable laws and regulations and with the applicable rules and procedures of any relevant clearing institution including, without limitation, Euroclear France, Euroclear or Clearstream, as appropriate; and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination**

(i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Coupon or Talon, by giving at least thirty (30) days' notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union, as amended from time to time (the "**Treaty**")) or events have occurred which have substantially the same effects (in either case, "**EMU**"), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

(ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 123 (4) of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.

(iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to euro.

(iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the holder of any Note, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the relevant Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.

(v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

(e) **Method of issue**

The Notes will be issued in series (each a "**Series**"). Each Series may be issued in tranches (each a "**Tranche**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. The specific terms of each Tranche will be set out in the relevant Final Terms.

2. CONVERSION AND EXCHANGES OF NOTES

(a) **Dematerialised Notes**

(i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(ii) Dematerialised Notes initially issued in registered form (*au nominatif*) only may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).

(iii) Dematerialised Notes issued in fully registered dematerialised form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered dematerialised form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Bearer Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

(c) **Dematerialised Notes not exchangeable for Materialised Bearer Notes and vice versa**

Dematerialised Notes may not be exchanged for Materialised Notes and Materialised Notes may not be exchanged for Dematerialised Notes.

3. STATUS OF NOTES

The principal and interest on the Notes are unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness, obligations and guarantees of the Issuer.

4. NEGATIVE PLEDGE

So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding, the Issuer shall not, and shall ensure that none of its Material Subsidiaries (as defined below) will grant any mortgage, charge, lien (other than a lien arising by operation of law), pledge or other security interest (*sûreté réelle*) (each a "**Security Interest**") upon the whole or any part of their respective present or future undertaking, assets or revenues to secure any Relevant Indebtedness (as defined below) unless any such operation falls within the definition of Permitted Security Interest (as defined below), unless the Issuer, before or at the same time, takes any and all action necessary to ensure that (i) its obligations under the Notes are secured equally and rateably with the Relevant Indebtedness or (ii) such other Security Interest or other arrangement is provided as is approved by the Noteholders whose approval may be given at a General Meeting or through a Written Resolution in each case in accordance with Condition 11.

For the purposes of these Conditions:

"**Adjusted EBITDA**" means, in line with the definition of "EBITDA" used in the combined financial statements of the New Suez Perimeter for the financial year ended 31 December 2021, consolidated current operating income adjusted by adding back:

(i) depreciation, amortisation and provisions;

(ii) share-based payments (excluding cash compensation (performance unit plan and long term incentive plan)); and

(iii) net disbursements under concession contracts;

"**Material Subsidiaries**" means at any relevant time any Subsidiary of the Issuer whose (a) Adjusted EBITDA (or, where the Subsidiary in question prepares consolidated accounts whose consolidated Adjusted EBITDA) represents not less than twenty (20) per cent. of the consolidated Adjusted EBITDA of the Issuer, and/or (b) turnover (or, where the Subsidiary in question prepares consolidated accounts whose consolidated turnover) represents not less than twenty (20) per cent. of the consolidated turnover of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated subsidiaries;

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Euroclear France Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Paying Agent as provided in Conditions 7(b) and 7(c) and remain available for payment against presentation and surrender of Materialised Bearer Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Materialised Notes (i) those mutilated or defaced Materialised Bearer Notes that have been surrendered in exchange for replacement Materialised Bearer Notes, (ii) (for the purpose only of determining how many such Materialised Bearer Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Bearer Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Bearer Notes, pursuant to its provisions; *provided that*, for the purposes of ascertaining the right to (x) attend and vote at any meeting of Noteholders and (y) to approve any Written Resolution, those Notes that are beneficially held by, or are held on behalf of, the Issuer or any of its subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding;

"**Permitted Security Interest**" means a Security Interest granted by the Issuer or any of its Material Subsidiaries to secure any Relevant Indebtedness, where such Relevant Indebtedness is incurred for the purpose of, and the proceeds thereof are used in, (i) the purchase of an asset and such security is provided over or in respect of such asset or (ii) the refinancing of any indebtedness incurred for the purpose of (i) above, provided that the security is provided over or in respect of the same asset;

"**Relevant Indebtedness**" means (i) any present or future indebtedness for borrowed money which is represented by any notes, bonds, or debt securities which are for the time being, or capable of being, quoted, listed or ordinarily dealt in on any stock exchange and (ii) any guarantee or indemnity of any such indebtedness; and

"**Subsidiary**" means a subsidiary (*filiale*) within the meaning of Article L.233-1 of the French *Code de commerce*.

5. INTEREST AND OTHER CALCULATIONS

(a) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below. Certain defined terms contained in the FBF Master Agreement (as defined below) and in the 2021 ISDA Interest Rate Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. and as amended and updated as of the Issue Date of the first Tranche of the relevant Series ("**2021 ISDA Definitions**"), have either been used or reproduced in this Condition 5:

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate, as the case may be, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit, as the case may be, to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate, as the case may be, and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) if no recommendation required under (a) above has been made or in the case of an Alternative Rate, the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(c) if the Independent Adviser determines that no such spread is customarily applied, the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be; or

(d) if the Independent Adviser determines that no such industry standard is recognised or acknowledged, the spread, formula or methodology which the Independent Adviser (acting in good faith) determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(c)(iii)(D)(b) and which is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a determined interest period in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(c)(iii)(D)(d).

"**Benchmark Event**" means:

(a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or that its use will be subject to restrictions which would not allow its further use in respect of the Notes; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, such Original Reference Rate will be (or will be deemed by such supervisor to be) no longer representative of an underlying market; or

(f) it has become unlawful for any Paying Agent, Calculation Agent, any other party responsible for determining the Rate of Interest or the Issuer to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate.

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (e) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, as the case may be, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Fiscal Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"**Business Day**" means:

(i) in the case of Notes denominated in euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto (the "**TARGET System**") is operating (a "**TARGET Business Day**") and/or

(ii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any) and/or

(iii) in the case of Notes denominated in a specified currency other than euro and Renminbi, a day which is a TARGET Business Day and a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or

(iv) in the case of Notes denominated in a specified currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**") a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centre(s) so specified.

"**CMS Rate**" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent.

"**CMS Reference Banks**" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is U.S. Dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/365 — FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual /365 — FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;

(ii) if "**Actual/365**" or "**Actual/Actual – ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

in each case where

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date, and

"**Determination Date**" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date

(iv) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + [(D_2 - D_1)]}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

and

(vii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + [(D_2 - D_1)]}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(viii) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + [(D_2 - D_1)]}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

"**Designated Maturity**", "**Margin**", "**Specified Time**", "**Relevant Currency**" and "**Relevant Screen Page**" shall have the meaning given to those terms in the applicable Final Terms.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

"**FBF Definitions**" means the definitions set out in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* ("**FBF**") (together the "**FBF Master Agreement**"), as may be supplemented or amended as at the Issue Date.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 5(c)(iii)(D)(a).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable for a particular period, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period or the interest amount in relation to the RMB Notes, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two (2) TARGET Business Days prior to the first (1^{st}) day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first (1^{st}) day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first (1^{st}) day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date or the relevant payment date if any interest in respect of the Notes become payable on a date other than an Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes as specified in the relevant Final Terms.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"**Reference Banks**" means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market selected by the Calculation Agent with the approval of the Issuer or as specified in the relevant Final Terms.

"**Reference Rate**" means the rate specified as such in the relevant Final Terms which shall be either EURIBOR, CMS Rate or €STR (or any Successor Rate or Alternative Rate).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate, as applicable:

(i) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate, as applicable, relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate, as applicable, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first (1^{st}) day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR (as defined in the 2021 ISDA Definitions), with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the 2021 ISDA Definitions; and

(ii) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**RMB Note**" means a Note denominated in Renminbi.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two (2) or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser, shall determine which of those successor or replacement rates is most appropriate, having regard to, *inter alia*, the particular features of the relevant Notes and the nature of the Issuer.

"**Specified Currency**" means the currency specified as such in the relevant Final Terms.

(b) **Interest on Fixed Rate Notes other than Fixed Rate Notes denominated in RMB**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) **Interest on Floating Rate Notes and Inflation Linked Notes**

(i) Interest Payment Dates: Each Floating Rate Note and Inflation Linked Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate. For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

I. the Floating Rate is as specified in the relevant Final Terms; and

II. the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first (1st) day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**" (*Taux Variable*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR01, as more fully described in the relevant Final Terms.

In the relevant Final Terms, when the paragraph "Floating Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time (for which rates are available) next shorter than the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time (for which rates are available) next longer than the length of the relevant Interest Period.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the 2021 ISDA Definitions and under which:

I. the "**Floating Rate Option**" is as specified in the relevant Final Terms;

II. the "**Designated Maturity**" is a period specified in the relevant Final Terms;

III. the relevant "**Reset Date**" is the first (1^{st}) day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms;

IV. the relevant "**Fixing Day**" is the date specified in the applicable Final Terms or, in the absence thereof, as defined in the ISDA Definitions;

V. the "**Effective Date**" is, unless otherwise specified in the applicable Final Terms, the Interest Commencement Date;

VI. the "**Termination Date**" is, unless otherwise specified in the applicable Final Terms, the last date of the last occurring Interest Accrual Period;

VII. the relevant "**Calculation Period**" is as specified in the applicable Final Terms or, in the absence thereof, as defined in the ISDA Definitions for which purpose references to "Effective Date" and "Period End Date" (in the ISDA Definitions) shall be deemed to be to, respectively, the Issue Date and any last day of the last occurring Interest Accrual Period (as defined in these Conditions); and

VIII. if the Floating Rate Option specified in the Final Terms is an Overnight Floating Rate Option and Compounding is specified as applicable in the applicable Final Terms:

- the relevant Reset Date is the last day of the last occurring Interest Accrual Period, unless otherwise specified in the Final Terms;
- Delayed Payment will be applicable if specified as such in the Final Terms, and if so, the applicable number of days is either (x) as specified in the Final Terms, or (y) if no number is specified as such in the Final Terms, five (5);
- OIS Compounding will be applicable if specified as such in the Final Terms;
- Compounding with Lookback will be applicable if specified as such in the Final Terms, and if so, the "**Lookback**" is either (x) as specified in the Final Terms, or (y) if no number is specified as such in the Final Terms, the number specified as the "Lookback" for the relevant Floating Rate Option in the ISDA Definitions, or (z) if no such number is specified for the relevant Floating Rate Option, five (5);
- Compounding with Observation Period Shift will be applicable if specified as such in the Final Terms, and if so, Set in Advance will be applicable if specified as such in the Final Terms, "**Observation Period Shift Additional Business Day**" is as specified in the Final Terms, and the Observation Period Shift is either (x) as specified in the Final Terms, or (y) if no number is specified as such in the Final Terms, the number specified as the "Observation Period Shift" for the relevant Floating Rate Option in the ISDA Definitions, or (z) if no such number is specified for the relevant Floating Rate Option, five (5); and
- Compounding with Lockout will be applicable if specified as such in the Final Terms, and if so, "**Lockout Period Business Day**" is as specified in the Final Terms and the "**Lockout**" is either (x) as specified in the Final Terms, or (y) if no number is specified as such in the Final Terms, the number specified as the "Lockout" for the relevant Floating Rate Option in the ISDA Definitions, or (z) if no

such number is specified for the relevant Floating Rate Option, five (5).

For the purposes of this sub-paragraph (B), except as otherwise defined in such sub-paragraph, "**Calculation Agent**", "**Compounding with Lockout**", "**Compounding with Lookback**", "**Compounding with Observation Period Shift**", "**Delayed Payment**", "**Designated Maturity**", "**Effective Date**", "**Floating Rate Option**", "**Floating Rate**", "**Lockout Period Business Day**", "**Lockout**", "**Lookback**", "**Observation Period Shift**", "**OIS Compounding**", "**Overnight Floating Rate Option**", "**Period End Date**", "**Set in Advance**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

The provisions relating to "Linear Interpolation" set out in the ISDA Definitions shall apply to an ISDA Rate where "*2021 ISDA Definitions Linear Interpolation*" is specified as applicable in the applicable Final Terms. For such purpose, references to "Relevant Rate" under the ISDA Definitions shall be deemed to be references to the ISDA Rate.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

I. the offered quotation; or

II. the arithmetic mean of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

III. if the Relevant Screen Page is not available or, if sub-paragraph 5(c)(iii)(C)I applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph 5(c)(iii)(C)II applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

IV. if sub-paragraph 5(c)(iii)(C)(III) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

V. Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will be the offered quotation (expressed as a percentage rate per annum) for CMS Rate or for the combination based on CMS Rate as set out in the formula below, relating to the relevant maturity (the relevant maturity year mid swap rate in EUR (annual 30/360)), which appears on the Relevant Screen Page, being Reuters page "ISDAFIX 2" under the heading "EURIBOR Basis", as at 11.00 a.m. Frankfurt time, in the case of the EUR-ISDA-EURIBOR Swap Rate-11:00 on the Interest Determination Date in question, all as determined by the Calculation Agent, subject as provided below, and as determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

or for CMS Rate combination formula:

m × CMS Rate [*specify maturity*] [+/-/×] **n** × CMS Rate [*specify maturity*]

Where each of "**m**" and "**n**" means the number specified in the relevant Final Terms.

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

VI. When €STR is specified as the Reference Rate in the Final Terms in respect of the Floating Rate Notes, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{€STR_{i\text{-}pTBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

If the €STR is not published, as specified above, on any particular TARGET Business Day and no €STR Index Cessation Event (as defined below) has occurred, the €STR for such TARGET Business Day shall be the rate equal to €STR in respect of the last TARGET Business Day for which such rate was published on the Website of the European Central Bank.

If the €STR is not published, as specified above, on any particular TARGET Business Day and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate of €STR for each TARGET Business Day in the relevant Observation Period on or after such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the ECB Recommended Rate.

If no ECB Recommended Rate has been recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurs, then the rate of €STR for each TARGET Business Day in the relevant Observation Period on or after the €STR Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

If an ECB Recommended Rate has been recommended and both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate of €STR for each TARGET Business Day in the relevant Observation Period occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

Any substitution of the €STR, as specified above, will remain effective for the remaining term to maturity of the Notes and shall be published by the Issuer in accordance with Condition 15.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, (i) the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if the rate of €STR for each TARGET Business Day in the relevant Observation Period on or after such €STR Index Cessation Effective Date were references to the latest published ECB Recommended Rate or, if EDFR is published on a later date than the latest published ECB Recommended Rate, the Modified EDFR.

For the purpose of this paragraph (e):

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"$\mathbf{d_o}$" is the number of TARGET Business Days in the relevant Interest Accrual Period;

"**ECB Recommended Rate**" means a rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator), as determined by the Issuer and notified by the Issuer to the Calculation Agent;

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent:

a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;

"**ECB Recommended Rate Index Cessation Effective Date**" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate is no longer provided, as determined by the Issuer and notified by the Issuer to the Calculation Agent;

"**ECB €STR Guideline**" means Guideline (EU) 2019/1265 of the European Central Bank of 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19), as amended from time to time;

"**EDFR**" means the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem (comprising the European Central Bank and the national central banks of those countries that have adopted the Euro) as published on the Website of the European Central Bank;

"**EDFR Spread**" means:

if no ECB Recommended Rate is recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between the €STR and the EDFR for each of the 30 TARGET Business Days immediately preceding the date on which the €STR Index Cessation Event occurred; or

if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Business Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurred;

"**€STR**" means, in respect of any TARGET Business Day, the interest rate representing the wholesale Euro unsecured overnight borrowing costs of banks located in the Euro area provided by the European Central Bank as administrator of such rate (or any successor administrator) and published on the Website of the European Central Bank (as defined below) at or before 9:00 a.m. (Frankfurt time) (or, in case a revised euro short-term rate is published as provided in Article 4 subsection 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET Business Day immediately following such TARGET Business Day;

"**$€STR_{i-pTBD}$**" means, in respect of any TARGET Business Day falling in the relevant Observation Period, the €STR for the TARGET Business Day falling "p" TARGET Business Days prior to the relevant TARGET Business Day "i";

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events, as determined by the Issuer and notified by the Issuer to the Calculation Agent:

a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or

a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of an €STR Index Cessation Event, the first date on which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR), as determined by the Issuer and notified by the Issuer to the Calculation Agent;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Accrual Period, to, but excluding, the Interest Payment Date corresponding to such Interest Accrual Period;

"**Modified EDFR**" means a reference rate equal to the EDFR plus the EDFR Spread;

"**n_i**" for any TARGET Business Day "i" is the number of calendar days from, and including, the relevant TARGET Business Day "i" up to, but excluding, the immediately following TARGET Business in the relevant Interest Accrual Period;

"**Observation Look-Back Period**" is as specified in the applicable Final Terms;

"**Observation Period**" means in respect of any Interest Accrual Period, the period from and including the date falling "p" TARGET Business Days prior to the first day of the relevant Interest Accrual Period (and the first Observation Period shall begin on and include the date falling "p" TARGET Business Days prior to the Interest Commencement Date) and ending on, but excluding, the date falling "p" TARGET Business Days prior to the Interest Payment Date of such Interest Accrual Period (or the date falling "p"

TARGET Business Day prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means in relation to any Interest Accrual Period, the number of TARGET Business Days included in the Observation Look-Back Period; and

"**Website of the European Central Bank**" means the website of the European Central Bank currently at http://www.ecb.europa.eu or any successor website officially designated by the European Central Bank.

In the applicable Final Terms, when the paragraph "Reference Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the maturity were the period of time (for which rates are available) next shorter than the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time (for which rates are available) next longer than the length of the relevant Interest Period.

(D) Benchmark Event

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, but not in respect of €STR, and if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply and shall prevail over other fallbacks specified in Condition 5(c)(iii)(C).

(a) Independent Adviser

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c)(iii)(D)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(c)(iii)(D)(c)) and any Benchmark Amendments (in accordance with Condition 5(c)(iii)(D)(d)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 5(c)(iii)(D)(a) shall act in good faith in a commercially reasonable manner as an independent expert. In the absence of bad faith, manifest error or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms or the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(c)(iii)(D)(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser, determines in good faith and in a commercially reasonable manner that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5(c)(iii)(D)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(c)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5(c)(iii)(D)).

(c) Adjustment Spread

If the Independent Adviser, determines in good faith and in a commercially reasonable manner (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(c)(iii)(D) and the Independent Adviser, determines in good faith and in a commercially reasonable manner (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(c)(iii)(D)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, and in connection with any such variation in accordance with this Condition 5(c)(iii)(D)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(iii)(D) will be notified promptly by the Issuer, after receiving such information from the Independent Adviser, to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Fiscal Agent, the Calculation Agent and the Paying Agents a certificate signed by one authorised signatory of the Issuer:

(i) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments as determined by the Independent Adviser in accordance with the provisions of this Condition 5(c)(iii)(D); and

(ii) certifying that the Independent Adviser has confirmed that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent and the Paying Agents shall make such certificate available at their respective offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's, the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agent and the Noteholders or Couponholders.

(f) Survival of Original Reference Rate

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(c)(iii)(D)(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Rate of Interest applicable to the first Interest Period. For the sake of clarity, where, in accordance with the relevant Final Terms, a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, and notwithstanding the fact that the Rate of Interest shall remain the one determined in respect of the immediately preceding Interest Period as indicated above, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 5(c)(iii)(D)(f) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(c)(iii)(D)(f).

Without prejudice to the obligations of the Issuer under Condition 5(c)(iii)(D) (a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5(c)(iii)(C) will continue to apply unless and until a Benchmark Event has occurred.

(g) New Benchmark Event in respect of the Successor Rate or Alternative Rate

If Benchmark Amendments have been implemented pursuant to this Condition 5(c)(iii)(D) and a new Benchmark Event occurs in respect of the then applicable Successor Rate or Alternative Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser and ensure that the provisions of this Condition 5(c)(iii)(D) shall apply as if the Successor Rate or Alternative Rate were the Original Reference Rate.

(iv) Rate of Interest for Inflation Linked Notes

(A) Consumer Price Index (CPI)

Where the consumer price index (excluding tobacco) for all households in France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the "**INSEE**") ("**CPI**") is specified as the Index in the relevant Final Terms, this Condition shall apply. Terms defined herein shall have the meanings set out below only when this Condition shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the CPI (the "**CPI Linked Interest**") will be determined by the Calculation Agent on the following basis of:

I. a fixed rate being the Rate of Interest specified in the relevant Final Terms multiplied by the Index Inflation Ratio.

On the fifth (5th) Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition, the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the "**Base Reference**"). The IIR will be rounded if necessary to five significant figures (with halves being rounded up).

"**CPI Daily Inflation Reference Index**" means (A) in relation to the first (1st) day of any given month, the CPI Monthly Reference Index of the third (3rd) month preceding such month, and (B) in relation to a day (**D**) (other than the first (1st) day) in any given month (**M**), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third (3rd) month preceding such month (**M - 3**) and the second (2nd) month preceding such month (**M - 2**) calculated in accordance with the following formula:

CPI Daily Inflation Reference Index=

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

"**CPI Monthly Reference Index** $_{M-2}$": price index of month M - 2;

"**CPI Monthly Reference Index** $_{M-3}$": price index of month M – 3;

"**D**": actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25; and

"ND_M": number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31;

The CPI Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such CPI Daily Inflation Reference Index appears on the *Agence France Trésor* Reuters page OATINFLATION01 or on Bloomberg TRESOR <GO> pages and on the website www.aft.gouv.fr. In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected by the French Treasury (*Trésor*) for its *obligations assimilables du Trésor indexées sur l'inflation*.

"**CPI Monthly Reference Index**" refers to the definitive consumer price index excluding tobacco for all households in France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

II. The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire – www.cnofrance.org*) in its December 2010 Paper entitled "Inflation Indexed *Notes*" (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l'inflation*). In the case of any conflict between the calculation method provided below and the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*) shall prevail.

The CPI Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the fixed rate *per annum* specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

III. If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the "**Substitute CPI Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading "*indice de substitution*". Once the definitive CPI Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.

(y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

$$\text{Substitute CPI Monthly Reference Index}_M =$$

$$\text{CPI Monthly Reference Index}_{M-1} \times \left(\frac{\text{CPI Monthly Reference Index}_{M-1}}{\text{CPI Monthly Reference Index}_{M-13}}\right)^{\frac{1}{12}}$$

In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$Key = \frac{\text{CPI Monthly Reference Index}^{\text{pertaining to December calculated on the new basis}}}{\text{CPI Monthly Reference Index}^{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

CPI Monthly Reference Index (New Basis) = CPI Monthly Reference Index (Previous Basis) x Key

(B) Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices (excluding tobacco) measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the "**HICP**") is specified as the Index in the relevant Final Terms, this Condition shall apply. Terms defined herein shall have the meanings set out below only when this Condition shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP (the "**HICP Linked Interest**") will be determined by the Calculation Agent on the following basis of:

I. a fixed rate being the Rate of Interest specified in the relevant Final Terms multiplied by the Index Inflation Ratio.

On the fifth (5^{th}) Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition, the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the HICP Daily Inflation Reference

Index (as defined below) applicable upon any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) applicable on the date specified in the applicable Final Terms (the "**Base Reference**"). The IIR will be rounded if necessary to five significant figures (with halves being rounded up).

"**HICP Daily Inflation Reference Index**" means (A) in relation to the first (1^{st}) day of any given month, the HICP Monthly Reference Index of the third (3^{rd}) month preceding such month, and (B) in relation to a day (**D**) (other than the first (1^{st}) day) in any given month (**M**), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third (3^{rd}) month preceding such month (**M - 3**) and the second (2^{nd}) month preceding such month (**M - 2**) calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Monthly Reference Index}_{M-3})$$

With:

"**HICP Monthly Reference Index $_{M-2}$**": price index of month M - 2;

"**HICP Monthly Reference Index $_{M-3}$**": price index of month M - 3.

"**D**": actual day of payment in the relevant month M and, in the case of payment of principal and interest, shall be equal to 25; and

"**ND_M**": number of days in the relevant month M and, in the case of payment of principal and interest, shall be equal to 31.

The HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such HICP Daily Inflation Reference Index appears on the *Agence France Trésor* Reuters page OATEI01, on the website www.aft.gouv.fr and on Bloomberg page TRESOR.

"**HICP Monthly Reference Index**" refers to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein. The first publication or announcement of a level of such index for a given month shall be final and conclusive and later revisions to the level for such month will not be used in any calculations.

II. The HICP Linked Interest applicable from time to time for each Interest Period (as specified in the relevant Final Terms) will be equal to the fixed rate *per annum* specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

III. If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the "**Substitute HICP Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it would automatically apply from the day following its release to all calculations taking place from this date.

(y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute HICP Monthly Reference Index$_M$ =

$$\text{HICP Monthly Reference Index}_{M-1} \times \left(\frac{\text{HICP Monthly Reference Index}_{M-1}}{\text{HICP Monthly Reference Index}_{M-13}}\right)^{\frac{1}{12}}$$

In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$Key = \frac{\text{HICP Monthly Reference Index}^{\text{pertaining to December calculated on the new basis}}}{\text{HICP Monthly Reference Index}^{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

HICP Monthly Reference Index = HICP Monthly Reference Index x Key

(C) The U.S. Consumer Price Index (US CPI)

The US CPI is the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, reported monthly by the Bureau of Labor Statistics of the U.S. Labor Department (the "**BLS**") and published on Bloomberg page "CPURNSA" or any successor source. The US CPI for a particular month is published during the following month. The BLS is not involved in the offering of any Notes paying interest based on the

US CPI in any way and has no obligation to consider any investor's or potential investor's interests as a holder or potential holder of any Notes paying interest based on the US CPI. The BLS has no obligation to continue to publish the US CPI, and may discontinue publication of the US CPI at any time in its sole discretion. The consequences of the BLS discontinuing publication of the US CPI are described below. None of the Issuer, Arranger, Dealers and Calculation Agent assumes any responsibility for the calculation, maintenance, or publication of the US CPI reported by the BLS and Bloomberg or any successor index, or the accuracy or completeness of any information BLS utilizes in calculating the US CPI or published on the Bloomberg page "CPURNSA" or any successor source.

The US CPI is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors' and dentists' services and drugs. In calculating the index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically by the BLS to take into account changes in consumer expenditure patterns. The US CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The base reference period for Notes paying interest based on the US CPI is the 1982-1984 average.

All information contained in this Base Prospectus regarding the US CPI, including, without limitation, its make-up and method of calculation, has been derived from publicly available information. The Issuer, Arranger, Dealers and Calculation Agent do not make any representation or warranty as to the accuracy or completeness of such information.

Notes paying interest based on the US CPI will pay a rate *per annum* linked to the Change in the US CPI (i) plus, if applicable, an additional amount of interest (referred to as the "**spread**") or (ii) multiplied by a number (referred to as the "**multiplier**"), as either may be specified in the relevant Final Terms; provided that, unless otherwise specified in the relevant Final Terms, the applicable Rate of Interest for Notes paying interest based on the US CPI will also be subject to a Minimum Rate of Interest equal to 0.00 per cent. *per annum* and possibly a Maximum Rate of Interest. The "**Change in the US CPI**" for a particular interval will be calculated as follows:

$$\frac{CPI(t) - CPI(t\text{-}x)}{CPI(t\text{-}x)}$$

where:

"**CPI(t)**" for any Determination Date is the level of the US CPI for a calendar month (the "**reference month**" which shall be specified in the relevant Final Terms) prior to the calendar month in which the applicable Determination Date falls; and

"**CPI(t-x)**" for any Determination Date is the level of the US CPI for a calendar month prior to the applicable reference month, as specified in the relevant Final Terms.

If by 3:00 p.m. New York City time on any Determination Date the US CPI is not published on Bloomberg "CPURNSA" for any relevant month, but has otherwise been reported by the BLS, then the Calculation Agent will determine the US CPI as reported by the BLS for such month using such other source as, on its face, after consultation with the Issuer, appears to accurately set forth the US CPI as reported by the BLS.

In calculating CPI(t) and CPI(t-x), the Calculation Agent will use the most recently available value of the US CPI determined as described above on the applicable Determination Date, even if such value has been adjusted from a previously reported value for the relevant month. However, if a value of CPI(t) or CPI(t-x) used by the Calculation Agent on any Determination Date to determine the interest rate on a Series of Notes is subsequently revised by the BLS, the interest rate for such Series of Notes determined on such Determination Date will not be revised.

If the US CPI is rebased to a different year or period and the 1982-1984 US CPI is no longer used, the base reference period for Notes paying interest based on the US CPI will continue to be the 1982-1984 reference period as long as the 1982-1984 US CPI continues to be published by the BLS.

If, while any Series of Notes paying interest based on the US CPI is outstanding, the US CPI is discontinued or is substantially altered, as determined in the sole discretion of the Calculation Agent, acting in good faith and in a commercially reasonable manner, the successor index for such Series of Notes will be that index chosen by the Secretary of the Treasury to replace the US CPI for the purpose of calculating payments on the Department of the Treasury's Inflation-Linked Treasuries as described at 62 Federal Register 846-874 (6 January 1997) or, if no such securities are outstanding, the successor index will be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

In addition, for the purposes of Notes paying interest based on the US CPI:

"**Determination Date**" shall mean two (2) business days in New York immediately prior to the beginning of the applicable Interest Period, or as specified in the relevant Final Terms (but not more than twenty-eight (28) days prior to the beginning of the applicable Interest Period).

"**Interest Period**" shall mean, in respect of any Series of Notes paying interest based on the US CPI, the period beginning on and including the Issue Date of such Series of Notes and ending on but excluding the first Interest Payment Date, and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, or such other period as specified in the relevant Final Terms.

"**Interest Payment Date**" shall be the Interest Payment Date specified in the relevant Final Terms.

(d) **Fixed/Floating Rate Notes**: Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

(e) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Optional Redemption Amount or the Early Redemption Amount, as the case may be, of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(g)(i)).

(f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(g) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding**:

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless a higher Minimum Rate of Interest is provided in the relevant Final Terms, the Minimum Rate of Interest (which, for the avoidance of doubt, includes any applicable Margin) shall be deemed to be 0.00 per cent.

(iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(h) **Calculations**: The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in the relevant Final Terms in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts**: As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount or any Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other

Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4th) Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall be (in the absence of manifest error) final and binding upon all parties.

(j) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 4). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Luxembourg office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

(k) **RMB Notes**: Notwithstanding the foregoing, each RMB Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall be (in the absence of manifest error and after confirmation by the Issuer) final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth (4th) Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) **Final Redemption**: Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which is its nominal amount, except for Zero Coupon Notes).

(b) **Redemption at the Option of the Issuer**: If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some, of the Notes on any date (as specified in the relevant Final Terms) (the "**Optional Redemption Date**"). Any such redemption of Notes shall be at their Optional Redemption Amount (as specified in the relevant Final Terms) together with interest accrued (except with respect to Zero Coupon Notes) to the date fixed for redemption (including, where applicable, any arrears of interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(c) **Make-Whole Redemption by the Issuer**: If a Make-Whole Redemption by the Issuer is specified in the relevant Final Terms, in respect of any issue of Notes, the Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to (i) their Maturity Date or (ii) if a Call Option is specified as applicable in the relevant Final Terms and the Optional Redemption Date is no earlier than 3 months prior to the Maturity Date, the first day on which the Issuer may redeem the Notes pursuant to the Call Option (the "**Make-Whole Redemption Date**"), at their Make-Whole Redemption Amount (as defined below).

"**Make-Whole Calculation Agent**" means the international credit institution or financial services institution appointed by the Issuer in relation to a Series of Notes, as specified as such in the relevant Final Terms.

"**Make-Whole Redemption Amount**" means in respect of any Notes to be redeemed pursuant to this Condition 6(c) an amount, calculated by the Make-Whole Calculation Agent equal to the greater of:

(i) 100 per cent. of the nominal amount of the Notes so redeemed and,

(ii) the sum (rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards)) of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Redemption Rate plus a Redemption Margin (as specified in the relevant Final Terms),

plus in each case (i) or (ii) above, any interest accrued on the Notes (except with respect to Zero Coupon Notes) to, but excluding, the Make-Whole Redemption Date.

"**Redemption Rate**" means:

(i) if "Reference Dealer Quotation" is specified as the method of determination of the Redemption Rate in the relevant Final Terms, the average of the four quotations given by the Reference Dealers to the Make-Whole Calculation Agent of the mid-market annual yield to maturity (rounded to the nearest 0.001%, with 0.0005% rounded upwards) of the Reference Security (as specified in the relevant Final Terms) on the fourth (4^{th}) business day preceding the Make-Whole Redemption Date at 11.00 a.m. (Central European time ("**CET**")) ("**Reference Dealer Quotation**"); or

(ii) if "Reference Screen Rate" is specified as the method of determination of the Redemption Rate in the relevant Final Terms, the annual yield to maturity of the Reference Security (rounded to the nearest 0.001%, with 0.0005% rounded upwards) displayed on the Reference Screen Rate as determined by the Make-Whole Calculation Agent or, if the Reference Screen Rate is not available, the relevant Reference Dealer Quotation.

"**Reference Dealers**" means each of the four banks selected by the Make-Whole Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues or as specified in the relevant Final Terms.

"**Reference Screen Rate**" means the screen rate specified as such in the relevant Final Terms.

"**Similar Security**" means a reference bond or reference bonds issued by the issuer of the Reference Security having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Make-Whole Calculation Agent at 11.00 a.m. (CET) on the third (3^{rd}) business day preceding the Make-Whole Redemption Date, quoted in writing by the Make-Whole Calculation Agent to the Issuer and notified in accordance with Condition 15.

The Redemption Rate will be notified by the Issuer in accordance with Condition 15.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Make-Whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Any notice given by the Issuer pursuant to this Condition 6(c) shall be deemed void and of no effect in relation to any Note in the event that, prior to the giving of such notice by the Issuer, the relevant Noteholder had already delivered an Exercise Notice in relation to such Note in accordance with Condition 6(e) below.

(d) **Clean-Up Call Option**: If a Clean-Up Call Option is specified in the relevant Final Terms and if a percentage specified in the relevant Final Terms (the "**Clean-Up Percentage**") of the initial aggregate nominal amount of Notes of the same Series (including any further Notes issued pursuant to Condition 14) have been redeemed or purchased and cancelled by the Issuer, or on behalf of, the Issuer, the Issuer may, on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 15 to the Noteholders, redeem the Notes, in whole but not in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

(e) **Redemption at the Option of Noteholders**: If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) (as specified in the relevant Final Terms) at its Optional Redemption Amount (as specified in the relevant Final Terms) together with interest accrued (except with respect to Zero Coupon Notes) to the date fixed for redemption including, where applicable, any arrears of interest.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any Paying Agent, within the notice period. In the case of Materialised Bearer Notes, the Exercise Notice shall have attached to it such Notes (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(f) **Redemption of Inflation Linked Notes:** If so specified in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the Notes

"**IIR**" being for the purpose of this Condition the ratio determined on the fifth (5^{th}) Business Day before the Maturity Date between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms, (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms or (iii) if the US CPI is specified as the Index applicable in the Final Terms, the Change in the US CPI, but where for these purposes the reference to CPI Determination Date in CPI(t) shall be interpreted to be the date falling two (2) Business Days prior to the Maturity Date, and the reference to CPI Determination Date in CPI(t-x) shall be interpreted to be the date falling two (2) Business Days prior to the Issue Date.

If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

(g) **Early Redemption Amount:**

(i) Zero Coupon Notes:

(A) The Optional Redemption Amount or the Early Redemption Amount, as the case may be, payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(b), 6(d), 6(h) or Condition 6(l) or upon it becoming due and payable as provided in Condition 9 shall be calculated as provided below.

(B) Subject to the provisions of sub-paragraph (C) below, the Optional Redemption Amount or the Early Redemption Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Optional Redemption Amount or the Early Redemption Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Optional Redemption Amount or the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b), 6(d), 6(h) or Condition 6(l) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Optional Redemption Amount or the Early Redemption Amount due and payable in respect of such Note shall be as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Optional Redemption Amount or the Early Redemption Amount becomes due and payable were the Relevant Date. The calculation of the Optional Redemption Amount or the Early Redemption Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d). Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

(ii) Inflation Linked Notes

(A) If the relevant Final Terms provides that Condition 6(g)(ii) shall apply in respect of Inflation Linked Notes, the Early Redemption Amount will be determined by the Calculation Agent on the following basis:

"**Early Redemption Amount**" = IIR x nominal amount of the Notes

"**IIR**" being for the purposes of this Condition the ratio determined on the fifth (5^{th}) Business Day before the date set for redemption between (i) if the CPI is specified as the index applicable in the Final Terms, the CPI Daily Inflation Reference Index on the date set for redemption and the Base Reference specified in the relevant Final Terms, (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index on the date set for redemption and the Base Reference specified in the relevant Final Terms or (iii) if the US CPI is specified as the Index applicable in the Final Terms, the Change in the US CPI, but where for these purposes, the reference to CPI Determination Date in CPI(t) shall be interpreted to be the date falling five (5) Business Days prior to the date set for redemption, and the reference to CPI Determination Date in CPI(t-x) shall be interpreted to be the date falling two (2) Business Days prior to the Issue Date.

If the Early Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

(B) If the Inflation Linked Notes (whether or not Condition 6(g)(ii) applies) fall to be redeemed for whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the date set for redemption.

Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such Notes at a rate per annum on the basis of the provisions of Condition 5(c)(iv) above except that, for such purposes the relevant Interest Determination Date shall be the fifth (5^{th}) business day prior to the relevant Early Redemption Date.

(iii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) and (ii) above), upon redemption of such Note pursuant to Condition 6(h) or Condition 6(l), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any arrears of interest).

(h) **Redemption for Taxation Reasons**

(i) If, by reason of any change in, or any change in the official application or interpretation of, French law becoming effective after the Issue Date, the Issuer, would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay Additional Amounts as specified and defined under Condition 8 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any arrears of interest) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding or deduction for such taxes.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes or Coupons be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 8 below, then the Issuer, shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any arrears of interest) on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Coupons, or, if that date is passed, as soon as practicable thereafter.

(i) **Purchases**: The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price subject to the applicable laws and regulations. Unless the possibility of holding and reselling is expressly excluded in the relevant Final Terms, all Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Notes.

(j) **Partial Redemption**: In the case of a partial redemption in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market or stock exchange requirements.

In the case of a partial redemption in respect of Dematerialised Notes, the redemption shall be effected by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed, subject to compliance with any applicable laws and Regulated Market or other stock exchange requirements**.**

(k) **Cancellation**: All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(l) **Illegality**: If, by reason of any change in, or any change in the official application of French law becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any arrears of interest).

(m) **Redemption or repurchase at the option of the Noteholders in case of Change of Control**:

If a Put Option in case of Change of Control (as defined below) is specified in the relevant Final Terms, and if a Put Event (as defined below) occurs, each Noteholder will have the option to require the Issuer to redeem, or procure purchase for, all or part of the Notes held by such Noteholder on the Put Date (as defined below) at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase. Such option (the "**Put Option in case of Change of Control**") shall operate as set out below.

(A) A "**Put Event**" will be deemed to occur if:

(i) Any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (other than Meridiam Sustainable Water and Waste Fund, GIP Highbury SAS, Caisse des Dépôts et Consignations, Infra-Invest France or any of their respective Affiliates or Related Funds) (the "**Relevant Persons**") acquires directly or indirectly more than fifty (50) per cent. of the total voting rights or of the issued ordinary share capital of the Issuer (or any successor entity) (a "**Change of Control**"); and

(ii) on the date notified to the Noteholders by the Issuer in accordance with Condition 15 (the "**Relevant Announcement Date**") that is the earlier of (x) the date of the first public announcement of the Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement, either the Notes or the senior unsecured long-term debt of the Issuer carries from any Rating Agency:

(x) an investment grade credit rating (Baa3, or equivalent, or better), and such rating from any Rating Agency is, within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1, or equivalent, or worse) or withdrawn and is not, within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

(y) a non-investment grade credit rating (Ba1, or equivalent, or worse), and such rating from any Rating Agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency;

provided that, for the avoidance of doubt,

1. any such decision of the relevant Rating Agency referred to in (x) or (y) above shall not be deemed to have occurred in respect of a particular Change of Control if such Rating Agency does not publicly announce or confirm that such decision was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control; and

2. if at the time of the occurrence of a Change of Control neither the Notes nor the senior unsecured long-term debt of the Issuer is rated by a Rating Agency, and no Rating Agency assigns within the Change of Control Period an investment grade rating to the Notes, a Put Event will be deemed to have occurred.

(B) Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 15 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the option contained in this Condition.

(C) To exercise the Put Option in case of Change of Control to require redemption or repurchase of the Notes, any Noteholder must transfer or cause to be transferred the Notes to be so redeemed or repurchased to the account of any Paying Agent and deliver to the Issuer a duly completed redemption or repurchase notice in writing (a "**Change of Control Put Notice**"), in which such Noteholder will specify a bank account to which payment is to be made under this paragraph, within the period (the "**Put Period**") of forty-five (45) days after a Put Event Notice is given (except where (i) the Noteholder gives the Issuer written notice of the occurrence of a Put Event of which it is aware and (ii) the Issuer fails to give a Put Event Notice to the Noteholders by close of business of the third (3rd) Business Day after the receipt of such notice from the Noteholder, in which case the Put Period will start from such third (3rd) Business Day and will end on the day falling forty-five (45) days thereafter).

A Change of Control Put Notice once given shall be irrevocable. The Issuer shall redeem, or procure purchase for, the Notes in respect of which the Put Option in case of Change of Control has been validly exercised as provided above and subject to the transfer of the Notes, on the date which is the fifth (5th) Business Day following the end of the Put Period (the "**Put Date**").

Payment in respect of such Notes will be made by transfer to the bank account specified in the Change of Control Put Notice.

(D) For the purposes of this Condition:

"**Affiliate**" means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

"**Caisse des Dépôts et Consignations**" means LA CAISSE DES DEPOTS ET CONSIGNATIONS, a special institution created by the law of 28 April 1816, codified in Articles L. 518-2 et seq. of the French *Code monétaire et financier*, whose registered office is located 56 rue de Lille, 75007 Paris, France;

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date, and ending one hundred eighty (180) days (inclusive) after the occurrence of the relevant Change of Control (or such longer period for which the Notes or the senior unsecured long-term debt of the Issuer are under consideration (such consideration having been announced publicly within the period ending one hundred twenty (120) days after the occurrence of the relevant Change of Control) for rating review or, as the case may be, for rating by, a Rating Agency, such period not to exceed sixty (60) days after the public announcement of such consideration);

"**Infra-Invest France**" means Infra-Invest France, a French *société par actions simplifiée à associé unique et capital variable* registered with the Commercial and Companies Register of Paris under number 821 429 594 with a registered office located at 4 Place Raoul Dautry, 75015 Paris, France;

"**GIP Highbury SAS**" means GIP Highbury SAS, a French *société par actions simplifiée* registered with the Commercial and Companies Register of Paris under number 904 842 531 with a registered office located at 3 boulevard de Sébastopol, 75001 Paris, France;

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

"**Meridiam Sustainable Water and Waste Fund**" means Meridiam Sustainable Water and Waste Fund, a French *société de libre partenariat* registered with the Commercial and Companies Register of Paris under number 900 669 698 with a registered office located at 4 Place de l'Opéra, 75002 Paris, France;

"**Rating Agency**" means any of the following: Moody's France SAS, any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof;

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund; and

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer or any Relevant Person relating to any potential Change of Control.

7. PAYMENTS AND TALONS

(a) **Dematerialised Notes**: Payments of principal and interest (including, for the avoidance of doubt, any arrears of interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes issued in bearer form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Euroclear France Account Holders for the benefit of the Noteholders or (in the case of Dematerialised Notes issued in fully registered form) to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Euroclear France Account Holders will be an effective discharge of the Issuer in respect of such payments.

(b) **Materialised Bearer Notes**: Payments of principal and interest (including, for the avoidance of doubt, any arrears of interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank. No payments in respect of Materialised Bearer Notes shall be made by transfer to an account in, or mailed to an address in, the United States.

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(c) **Payments in the United States**: Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by U.S. law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Fiscal Laws**: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**: The Fiscal Agent, the Paying Agents, the Calculation Agent, the Registration Agent, the Redenomination Agent and the Consolidation Agent initially appointed under the Agency Agreement and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registration Agent, the Redenomination Agent and the Consolidation Agent act solely as agents of each Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registration Agent, the Redenomination Agent and the Consolidation Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) in the case of Dematerialised Notes in fully registered form a Registration Agent, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(e) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) **Unmatured Coupons and unexchanged Talons:**

(i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (together, where applicable, with the amount of any arrears of interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon (together, where applicable, with the amount of any arrears of interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten (10) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).

(ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Materialised Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any arrears of interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.

(g) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(h) **Non-Business Days**: If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day.

(i) **Payment of U.S. Dollar Equivalent or Euro Equivalent**: Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five (5) nor more than thirty (30)-days irrevocable notice to the Noteholders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. dollars or (if so specified in the relevant Final Terms) in Euro on the due date at the U.S. Dollar Equivalent (or the Euro Equivalent as the case may be) of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent (or Euro Equivalent as the case may be) of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollar (or Euro) account of the relevant account holders for the benefit of the Noteholders. For the avoidance of doubt, no such payment of the U.S. Dollar Equivalent (or Euro Equivalent as the case may be) shall by itself constitute a default in payment within the meaning of Condition 9.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(i) by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7:

"**Euro Equivalent**" means the relevant Renminbi amount converted into Euros using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"**Illiquidity**" means that the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-Transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong reasonably selected by the Issuer.

"**RMB Note**" means a Note denominated in Renminbi.

"**RMB Rate Calculation Agent**" means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Final Terms.

"**RMB Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City (in the case of payment of the U.S. Dollar Equivalent) or Paris (in the case of payment of the Euro Equivalent).

"**RMB Rate Calculation Date**" means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under the Conditions.

"**RMB Spot Rate**" for a RMB Rate Calculation Date means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter CNY exchange market in Hong Kong for settlement on the relevant due date for payment, or as the case may be, the spot CNY/EUR exchange rate for the purchase of Euros with CNY in the over-the-counter CNY exchange market in Hong Kong for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11 a.m. (Hong Kong time) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADNDF. If such rate is not available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11 a.m. (Hong Kong time) on the RMB Rate Calculation Date as the most recently available CNY/U.S. dollar or as the case may be CNY/EUR official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. If no CNY/EUR official fixing rate is available on the Reuters Screen Page CNY=SAEC on the RMB Rate Calculation Date, the RMB Rate Calculation Agent will determine the RMB Spot Rate as soon as possible using the latest available CNY/U.S. dollar fixing rate and then the latest U.S. dollar/EUR official fixing rate available on a Reuters Screen Page selected by the RMB Rate Calculation Agent.

Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**U.S. Dollar Equivalent**" means the relevant Renminbi amount converted into U.S. dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

8. TAXATION

(a) **Withholding tax**: All payments of principal, interest and other assimilated revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional amounts**: If French law should require that payments of principal, interest or other assimilated revenues made by the Issuer in respect of any Note or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts ("**Additional Amounts**") as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note or Coupon, as the case may be:

(i) **Other connection**: to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with France other than the mere holding of the Note or Coupon; or

(ii) **Presentation more than thirty (30) days after the Relevant Date**: in respect of Materialised Notes, more than thirty (30) days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth (30^{th}) such day.

All payments in respect of the Notes or Coupons will be made subject to any withholding or deduction required pursuant to the U.S. Foreign Account Tax Compliance Act (**FATCA**), to the extent applicable. Should a withholding or deduction be required pursuant to FATCA, the Issuer will not be required to pay any additional amounts in respect of such withholding or deduction.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of arrears of interest, references to "**becomes due**" shall be interpreted in accordance with the provisions of Condition 5(g)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven (7) days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all arrears of interest) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any Additional Amounts that may be payable under this Condition.

9. EVENTS OF DEFAULT

Any Noteholder may give written notice to the Fiscal Agent and the Issuer effective upon the date of receipt thereof by the Fiscal Agent and unless all defaults shall have been remedied, that all the Notes held by such Noteholder become immediately due and payable, whereupon such Notes shall become immediately due and payable at their principal amount, plus accrued interest without any other formality, if any of the following events (each, an "**Event of Default**") occurs:

(i) the Issuer defaults in any payment when due of principal or interest on any Note (including the payment of any Additional Amounts pursuant to the provisions set forth under "**Taxation**" above) and such default shall not have been cured within fifteen (15) days; or

(ii) there is a default by the Issuer in the due performance of any other provision of the Notes, and such default shall not have been cured within thirty (30) days after receipt by the Fiscal Agent of written notice of default given to the Fiscal Agent by the Noteholder; or

(iii) the Issuer and/or any of its Material Subsidiaries (i) shall fail to make one or more payments when due or within any applicable grace period on any indebtedness for money borrowed or guarantee of the indebtedness for money borrowed of another party in an aggregate principal amount of at least Euro 100,000,000 (or, in each case, the equivalent in another currency) and (ii) (other than where the due date for such defaulted payment is the stated maturity) such indebtedness shall have been accelerated; or

(iv) the Issuer or any of its Material Subsidiaries is subject to a judgment rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole or part of the business (*cession totale ou partielle de l'entreprise*); or

(v) any Material Subsidiary of the Issuer not established in France is adjudicated or found bankrupt or insolvent or ceases payment or is found unable to pay its debts or any order is made by any competent court or administrative agency for, or a resolution is passed by it for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to it or any event occurs which under the law of any relevant jurisdiction has an analogous or equivalent effect; or

(vi) the Issuer and/or any of its Material Subsidiaries sells or otherwise disposes of all or substantially all of its assets or ceases or threatens to cease to carry on the whole of its business or substantially the whole of its business or an order is made or an effective resolution passed for its winding-up, dissolution or liquidation, unless such winding-up, dissolution, liquidation, cessation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination (a "**Restructuring**") with or to, any other corporation and (i) in the case of the Issuer, the liabilities under the Notes are transferred to and assumed by such other corporation and the credit rating assigned by any Rating Agency to the long-term, unsecured and unsubordinated indebtedness of the surviving entity of such Restructuring following such Restructuring is not less than the credit rating assigned by any such credit rating agency to the long-term, unsecured and unsubordinated indebtedness of the Issuer immediately prior to the effective date of such Restructuring, or (ii) in the case of the Issuer or any Material Subsidiary, the undertaking and assets of the Issuer or such Material Subsidiary are vested in the Issuer or any of its Subsidiaries;

(vii) any payment, repayment, prepayment, redemption, repurchase, defeasance, retirement or discharge, in each case in cash, by Sonate TopCo (as defined in subsection 5 "*Major shareholders*" of section "*Description of the Issuer*" of this Base Prospectus) of any amount of principal, interest (including compounded or capitalised interest), fee, charge or other amount outstanding under or in respect of any Sonate TopCo Shareholder Debt is made at a time when (i) an Event of Default under this Condition 9 has occurred and is continuing or (ii) to the extent the Issuer is rated by a Rating Agency, the ratio of Consolidated Net Debt to Consolidated EBITDA as at the most recent Half Year Date prior to such payment for which consolidated financial statements have been published by the Issuer is equal to or greater than 4.25:1; or

(viii) the terms of any Sonate TopCo Shareholder Debt which is outstanding do not for any reason include each of the Key Provisions; or

(ix) the terms and conditions of any Sonate TopCo ORAs which are outstanding do not for any reason include each of the Mandatory Conversion Provisions; or

(x) a party to the Sonate TopCo Undertaking Agreement does not comply with any material provision of the Sonate TopCo Undertaking Agreement or any amendment (other than of a non-material, technical or administrative nature) is made to the Sonate TopCo Undertaking Agreement or the Undertaking Agreement is terminated, rescinded or revoked by a party thereto,

provided that no Event of Default under paragraphs (vii) to (x) above will occur if:

(a) the relevant event or circumstance has been remedied within 60 days of the Issuer becoming aware of the relevant event or circumstance;

(b) in respect of paragraph (vii) above, the relevant payment or other transaction referred to therein (x) is made to fund a Permitted Payment, (y) is funded directly or indirectly out of the proceeds received by Sonate TopCo from the subscription for new ordinary shares of Sonate TopCo or (z) is made by way of *incorporation de créances au capital* of Sonate TopCo or by way of conversion into shares of Sonate TopCo, in either case of the relevant part of the Sonate TopCo Shareholder Debt; or

(c) the Noteholders have given consent (through a General Meeting or a Written Resolution) in accordance with the provisions of Condition 11 to (A) the terms of the relevant Sonate TopCo Shareholder Debt not including each of the Key Provisions and/or (B) the terms of the Sonate TopCo ORAs not including each of the Mandatory Conversion Provisions.

The Issuer shall promptly notify the Noteholders in accordance with Condition 15 (i) of the occurrence of any Shareholder Debt Modification and set out the details thereof or (ii) if a party to the Undertaking Agreement does not comply with any material provision of the Undertaking Agreement or any amendment (other than of a non-material, technical or administrative nature) is made to the Undertaking Agreement or the Undertaking Agreement is terminated, rescinded or revoked by a party thereto, unless the Undertaking Agreement is amended or replaced following an amendment of the Conditions approved by the Noteholders (through a General Meeting or a Written Resolution) in accordance with the provisions of Condition 11.

For the purpose of this Condition 9:

"**Affiliate**" means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Consolidated EBITDA**" means the EBITDA shown in the latest publicly available annual or semi-annual consolidated financial statements of the Issuer.

"**Consolidated Net Debt**" means the net debt shown in the latest publicly available annual or semi-annual consolidated financial statements of the Issuer and assuming leases are accounted for on an IFRS 16 basis.

“**Convertible Shareholder Loan (Employee Share Scheme)**” means any Financial Indebtedness owing by Sonate TopCo to any of its direct or indirect shareholders in an aggregate amount not exceeding €50,000,000 which is extended to Sonate TopCo to facilitate employee share scheme to be established by the Issuer after 31 January 2022 and which shall be converted into shares in Sonate TopCo and/or Sonate TopCo ORAs following the establishment of the employee share scheme.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the generally accepted accounting principles in France, including IFRS (“**GAAP**”), be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

“**Group**” means the Issuer and its Subsidiaries from time to time but excluding each Ring-Fenced Subsidiary.

“**Half Year Date**” means 30 June and 31 December.

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“**Key Provisions**” means, in respect of the terms and conditions of any Sonate TopCo Shareholder Debt, provisions which in substance state or provide as follows (which in the case of (e) and/or (f) below, shall be deemed to include any such provisions as may be set out in any agreement between the direct and indirect shareholders of Sonate TopCo):

(a) Sonate TopCo's payment obligations in cash with respect to principal and interest on such Sonate TopCo Shareholder Debt shall be subordinated and junior in right of payment to any other Financial Indebtedness, present or future, owed by Sonate TopCo to any third party in accordance with the legal regime of Article L.228-97 of the French *Code de commerce*;

(b) no covenants, events of default, acceleration rights, rights to declare a default or event of default are included;

(c) no put options or mandatory early redemption or prepayment events are included which in each case would be enforceable by the creditors of such Sonate TopCo Shareholder Debt other than any such provisions which are not enforceable at any time prior to the Termination Date or where the relevant obligation may be satisfied by the issue of ordinary shares in the capital of Sonate TopCo;

(d) no Security may be granted by any member of the Group in respect of such Sonate TopCo Shareholder Debt;

(e) any right or obligation of Sonate TopCo to make any payment in cash of any amount of principal or interest under or in respect of such Sonate TopCo Shareholder Debt (including any call option in respect of such Sonate TopCo Shareholder Debt which may be settled in cash) shall be subject to such payment not constituting an Event of Default under Condition 9 (vii), (viii), (ix) or (x); and

(f) the scheduled maturity date of such Sonate TopCo Shareholder Debt shall be no earlier than 31 December 2056; and that Sonate TopCo Shareholder Debt is to be stapled to the shares in Sonate TopCo and cannot be transferred without a pro-rata transfer (by way of purchase, subscription or conversion/redemption of Sonate TopCo Shareholder Debt acquired into shares) by the transferee of shares in Sonate TopCo (other than where Sonate TopCo Shareholder Debt is transferred to an Affiliate of the transferor or is transferred to any shareholder in Sonate TopCo).

"**Mandatory Conversion Provisions**" means, in respect of the Sonate TopCo ORAs, provisions which in substance provide or state that Sonate TopCo shall immediately redeem all (and not part only) of the outstanding Sonate TopCo ORAs in ordinary shares of Sonate TopCo upon the occurrence of any of the following events:

(a) a SonateTopCo/Issuer Insolvency Event;

(b) creditors of any Relevant Financial Indebtedness exercise their rights in respect of such Relevant Financial Indebtedness to accelerate and declare such Relevant Financial Indebtedness immediately due and payable;

(c) any breach, termination or revocation of or material amendments to the subordination provisions applicable to the Sonate TopCo ORA; or

(d) any breach of the Undertaking Agreement (other than of a non-material, technical or administrative nature) which, to the extent it is capable of remedy, has not been remedied within 60 days of the occurrence of the same.

"**Permitted Payment**" means:

(a) the payment to Sonate TopCo or to the order of any of the shareholders (direct or indirect) of the Issuer of the following items or any payment by the Issuer to fund such a payment by Sonate TopCo:

(i) any administration costs, directors' and employees remuneration, Taxes, professional or legal fees, regulatory costs, insurance costs and other operating and corporate overhead costs and expenses (including any costs required to maintain its existence) reasonably incurred by Sonate TopCo or any other shareholder (direct or indirect) of the Issuer to the extent referable to acting as a Holding Company of the Group (or in managing the Group) or being a shareholder of the Group;

(ii) any management fees, *ad hoc* advisory fees, or other fees or expenses to any shareholder (direct or indirect) of the Issuer (or to any advisor to any such shareholder) for corporate finance, investment, M&A or other transaction advice provided to Sonate TopCo and/or the Group on *bona fide* arm's length terms so long as the aggregate of all such payments does not exceed €10,000,000 in any financial year of the Issuer;

(iii) any corporate income Tax amount due by Sonate TopCo in its capacity as parent of a French tax consolidated group up to the amount of the corporate income tax the Issuer would have paid to the French tax authorities had it not been part of such French tax consolidated group;

(iv) repayment of an amount up to the amount received from any of the shareholders (direct or indirect) of the Issuer on account of any additional equity contribution provided by such shareholders, in respect of any tax payable by Sonate TopCo or the Issuer to the extent that Sonate TopCo or the Issuer subsequently obtains a refund or reimbursement from any person in respect of such tax; and

(v) any proceeds received by the Issuer from the issuance of shares by the Issuer to management and employees pursuant to an employee share scheme established by the Issuer after 31 January 2022;

(b) the redemption, repurchase, defeasance, retirement or repayment of any of the Issuer's or Sonate TopCo's share capital (including the repurchase of shares) held by departing management and departing employees or any payment by the Issuer or Sonate TopCo to fund such a payment by any of the Issuer's Holding Companies.

"**Relevant Financial Indebtedness**" means any Financial Indebtedness of Sonate TopCo or the Issuer the outstanding principal amount of which exceeds €100,000,000 (or equivalent).

"**Ring-Fenced Subsidiary**" means a limited liability special purpose vehicle which is a Subsidiary of the Issuer incorporated or acquired in connection with the acquisition, construction and/or operation of an asset, business or undertaking provided that no guarantee, security or other recourse is given by a member of the Group in relation to any Financial Indebtedness incurred by that Subsidiary in connection with the financing of the acquisition and/or construction, and/or operation of the asset, business or undertaking and any other Financial Indebtedness required in relation to that asset, business or undertaking except limited recourse, third party security over the shares of that Subsidiary and rights under any shareholder loans made to that Subsidiary by other members of the Group.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Shareholder Debt Modification**" means any amendment, novation, supplement, extension, increase or replacement to or of the terms relating to any existing Sonate TopCo Shareholder Debt which would (i) have the effect that each of the Key Provisions would not be included or continue to be included in the terms relating to such Sonate TopCo Shareholder Debt or any replacement thereof and (ii) for so long as any of the Sonate TopCo ORAs are outstanding, have the effect that the terms and conditions of the Sonate TopCo ORAs would not include or continue to include each of the Mandatory Conversion Provisions.

"**Sonate TopCo/Issuer Insolvency Event**" means:

(a) any proceedings for *sauvegarde* or *sauvegarde accélérée*, *redressement judiciaire* or *liquidation judiciaire* are opened in respect of Sonate TopCo or the Issuer;

(b) the appointment of a liquidator, receiver, administrator, administrative receiver, provisional administrator, *mandataire ad hoc*, *conciliateur* or other similar officer in respect of Sonate TopCo or the Issuer or any of their respective assets;

(c) Sonate TopCo or the Issuer applies for *mandat ad hoc* or *conciliation* in accordance with Articles L.611-3 to L.611-15 of the French *Code de commerce*; or

(d) any procedure, judgment or step is taken in any jurisdiction which has effects similar to those referred to in paragraphs (a) to (c) above,

provided that paragraphs (a) to (d) above shall not apply to:

(i) any *redressement judiciaire* or *liquidation judiciaire* petition which is frivolous or vexatious or is discharged, stayed or dismissed within 60 days of commencement;

(ii) any such action, legal proceedings or step over or relating to assets the aggregate value of which does not exceed €100,000,000 (or its equivalent in any other currency or currencies).

"**Sonate TopCo ORAs**" means any bonds which are mandatorily redeemable in ordinary shares of Sonate TopCo issued or to be issued by Sonate TopCo from time to time to its direct or indirect shareholders or any Affiliates of such shareholders (excluding, for the avoidance of doubt, any member of the Group).

"**Sonate TopCo Shareholder Debt**" means any Financial Indebtedness owing by Sonate TopCo to any of its direct or indirect shareholders or any Affiliates of such shareholders (excluding, for the avoidance of doubt, any member of the Group), including (without limitation) under any Sonate TopCo ORAs but excluding any Convertible Shareholder Loan (Employee Share Scheme).

"**Subsidiary**" means, in relation to any company, another company which is controlled by it within the meaning of Article L.233-3 I of the French *Code de commerce*.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Termination Date**" means:

(a) in relation to Bridge Loan (as defined in subsection 7 "*Material Contracts*" of section "*Description of the Issuer*" of this Base Prospectus), 31 January 2023, 30 July 2023 or 31 January 2024, as the case may be;

(b) in relation to Term Loan (as defined in subsection 7 "*Material Contracts*" of section "*Description of the Issuer*" of this Base Prospectus), 31 January 2025, 31 January 2026 or 31 January 2027, as the case may be;

(c) in relation to Revolving Credit Facility (as defined in subsection 7 "*Material Contracts*" of section "*Description of the Issuer*" of this Base Prospectus), 31 January 2027, 31 January 2028 or 31 January 2029, as the case may be.

"**Undertaking Agreement**" means the undertaking agreement entered into by Sonate TopCo and the holders of €2,100,000,001 in aggregate nominal amount of 2.44 per cent. ORAs due 2057 issued by Sonate TopCo on 28 January 2022 in order to provide that there shall be no amendment to the terms and conditions of the Sonate TopCo ORAs (except any amendments of a non-material, technical or administrative nature) without the consent of the senior creditors of the Issuer (including the Noteholders) and Sonate TopCo and that the terms and conditions of any new Sonate TopCo ORAs to be issued shall be substantially in the form of the terms and conditions of existing Sonate TopCo ORAs.

10. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

11. MEETING AND VOTING PROVISIONS

(i) Interpretation

In this Condition:

(A) references to a "**General Meeting**" are to a general meeting of Noteholders of all Tranches of a single Series of Notes and include, unless the context otherwise requires, any adjourned meeting thereof;

(B) references to "**Notes**" and "**Noteholders**" are only to the Notes of the Series in respect of which a General Meeting has been, or is to be, called, and to the Notes of the Series in respect of which a Written Resolution has been, or is to be sought, and to the holders of those Notes (excluding, for the avoidance of doubt, the Issuer), respectively;

(C) "**outstanding**" has the meaning ascribed to it in Condition 4 above;

(D) "**Resolution**" means a resolution on any of the matters described in paragraph (iv) below passed (x) at a General Meeting in accordance with the quorum and voting rules described in paragraph (iv) below or (y) by a Written Resolution;

(E) "**Electronic Consent**" has the meaning set out in paragraph (vi) (A) below; and

(F) "**Written Resolution**" means a resolution in writing signed or approved by or on behalf of the holders of not less than seventy-five (75) per cent. in nominal amount of the Notes outstanding. References to a Written Resolution include, unless the context otherwise requires, a resolution approved by Electronic Consent.

(ii) **General**

Pursuant to Article L. 213-6-3 I of the French *Code monétaire et financier*:

(a) the Noteholders shall not be grouped in a *masse* having separate legal personality and acting in part through a representative of the noteholders (*représentant de la masse*) and through general meetings; however,

(b) Articles L. 228-46-1, L. 228-57, L. 228-58, L. 228-59, L. 228-60, L. 228-60-1, L. 228-61 (with the exception of the first paragraph thereof), L. 228-65 (with the exception of Article L. 228-65 I 1°, Article L. 228-65 I 3° and the second sentence of Article L. 228-65 II), L. 228-66, L. 228-67, L. 228-68, L. 228-69, L. 228-71 (with the exception of the second sentence of the first paragraph and the second paragraph thereof), L. 228-72, L. 228-73 (with the exception of the third paragraph thereof), L. 228-76, L. 228-88, R.228-61, R. 228-65, R. 228-66, R. 228-67, R. 228-68, R. 228-69, R. 228-70, R. 228-71, R. 228-72, R. 228-73, R. 228-74, R. 228-75, R. 228-76, R. 228-79 and R. 236-11 of the French *Code de commerce* relating to general meetings of noteholders shall apply to the General Meetings, provided however that whenever the words "*de la masse*", "*d'une même masse*", "*par les représentants de la masse*", "*d'une masse*", "*et au représentant de la masse*", "*de la masse intéressée*", "*composant la masse*", "*de la masse à laquelle il appartient*", "*dont la masse est convoquée en assemblée*" or "*par un représentant de la masse*", appear in those provisions, they shall be deemed to be deleted, and subject to the following provisions of this Condition 11.

(iii) **General Meeting**

A General Meeting may be held at any time, on convocation by the Issuer. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of their members to petition a competent court in Nanterre to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 15 not less than fifteen (15) days prior to the date of such General Meeting. Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders.

Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

For the avoidance of doubt, the General Meeting may appoint a nominee to file a proof of claim in the name of all Noteholders in the event of judicial reorganisation procedure or judicial liquidation of the Issuer. Failing such appointment of a nominee, the judicial representative (*mandataire judiciaire*), at its own initiative or at the request of any Noteholder will ask the court to appoint a representative of the Noteholders who will file the proof of Noteholders' claim.

(iv) **Powers of the General Meetings**

The General Meeting may act with respect to any matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

For the avoidance of doubt, each Noteholder is entitled to bring a legal action against the Issuer for the defence of its own interests; such a legal action does not require the authorisation of the General Meeting.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant account holder of the name of such Noteholder as of 0:00, Paris time, on the second (2^{nd}) business day in Paris preceding the date set for the meeting of the relevant general assembly.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(v) **Chairman**

The Noteholders present at a General Meeting shall choose one of their member to be chairman (the "**Chairman**") by a simple majority of votes present or represented at such General Meeting (notwithstanding the absence of a quorum at the time of such vote). If the Noteholders fail to designate a Chairman, the Noteholder holding or representing the highest number of Notes and present at such meeting shall be appointed Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as the Chairman of the original meeting from which the adjournment took place.

(vi) **Written Resolution and Electronic Consent**

(A) Pursuant to Article L. 228-46-1 of the French *Code de commerce*, in respect of any Series of Dematerialised Notes only, the Issuer shall be entitled, in lieu of convening a General Meeting, to seek approval of a resolution from the Noteholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L. 228-46-1 and R. 225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders ("**Electronic Consent**").

(B) Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 15 not less than 15 days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Resolution. Noteholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Notes until after the Written Resolution Date.

(vii) **Effect of Resolutions**

A resolution passed at a General Meeting, and a Written Resolution or an Electronic Consent, shall be binding on all Noteholders, whether or not present at the General Meeting and whether or not, in the case of a Written Resolution or an Electronic Consent, they have participated in such Written Resolution or Electronic Consent and each of them shall be bound to give effect to the resolution accordingly.

(viii) **Information to Noteholders**

Each Noteholder will have the right, during the 15-day period preceding the holding of each General Meeting and Written Resolution Date, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting or the Written Resolution.

(ix) **Expenses**

The Issuer will pay all expenses relating to the calling and holding of General Meetings and seeking of a Written Resolution and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(x) **Exclusion of the provisions of Article L.228-65 I. 1° and 3° of the French *Code de commerce* in certain circumstances**

The provisions of Article L.228-65 I. 1° of the French *Code de commerce,* providing for a prior approval of the Noteholders in relation to any change in the Issuer's corporate purpose or status, shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce,* providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce,* shall not apply to the Notes.

12. FINAL TERMS

These Conditions will be completed in relation to each Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13. REPLACEMENT OF DEFINITIVE NOTES, COUPONS AND TALONS

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market or other stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. FURTHER ISSUES AND CONSOLIDATION

(a) **Further Issues**: The Issuer may, with prior approval of the Redenomination and Consolidation Agents from time to time without the consent of the Noteholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or identical in all respects save for the issue date, issue price and first payment of interest) and that the terms of such Notes provide for such assimilation and references in these Conditions to "**Notes**" shall be construed accordingly.

(b) **Consolidation**: The Issuer, if so specified in the applicable Final Terms, with the prior approval of the Consolidation Agent, may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in Euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15. NOTICES

(a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) as long as such Notes are admitted to trading on Euronext Paris, in a daily leading newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in a leading daily newspaper of general circulation in Europe, or (c) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located and on the website of any other competent authority or Regulated Market where the Notes are listed and admitted to trading.

(b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (a) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) they are published in a leading daily newspaper of general circulation in Europe or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement*

Général) of the AMF and so long as such Notes are listed and admitted to trading on any Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require in a leading daily newspaper with general circulation (i) in the city/ies where the Regulated Market(s) or other stock exchange(s) on which such Notes are listed and admitted to trading is located and on the website of any other competent authority or Regulated Market where the Notes are listed and admitted to trading.

(c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition 15.

(d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other depositary or custodian to the operations of which the Notes are admitted in substitution for the mailing and publication of a notice required by Conditions 15(a), (b) and (c) above; except that so long as the Notes are listed and admitted to trading on a Regulated Market or other stock exchange and the rules of such Regulated Market or other stock exchange so require, notices shall also be published in a leading daily newspaper of general circulation in the city where the Regulated Market or other stock exchange on which such Note(s) is/are listed and admitted to trading is located. The Issuer shall be entitled to rely upon notifications made by Euroclear France, Euroclear, Clearstream and any other depositary or custodian to which the Dematerialised Notes are admitted. The Issuer shall not be liable to anyone for such reliance.

(e) Notices given pursuant to Condition 11 and pursuant to Articles R. 228-79 and R. 236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer (www.suez.com). For the avoidance of doubt, Conditions 15(a), (b), (c) and (d) shall not apply to such notices.

16. GOVERNING LAW AND JURISDICTION

(a) **Governing Law**: The Notes and all non-contractual obligations arising from or connected with the Notes (and, where applicable, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction**: Any claim against the Issuer in connection with any Notes, Coupons or Talons may be brought before any competent court located in Nanterre**.**

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED BEARER NOTES

Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream (the "**Common Depositary**"), Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream may similarly be credited to the accounts of subscribers with Euroclear or Clearstream or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Materialised Bearer Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

(1) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "**Selling Restrictions**"), in whole, but not in part, for Definitive Materialised Bearer Notes; and

(2) otherwise, for Definitive Materialised Bearer Notes upon certification in the form set out in the Agency Agreement as to non-U.S. beneficial ownership.

A Noteholder must exchange its share of the Temporary Global Certificate for definitive Materialised Bearer Notes before interest or any amount payable in respect of the Notes will be paid.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Base Prospectus, "**Definitive Materialised Bearer Notes**" means, in relation to any Temporary Global Certificate, the definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market or stock exchange requirements in, or substantially in, the form set out in the Schedules to the Agency Agreement.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day next succeeding the day that is forty (40) calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used (i) for the Issuer's general corporate purposes (including refinancing of the existing financial debt of the Issuer, as the case may be) or (ii) in the case of "Green Bonds", to finance or refinance, in whole or in part, existing or future Eligible Green Projects, as defined in the relevant Final Terms and described in the Issuer's green bond framework (as amended and supplemented from time to time) (the "**Green Bond Framework**") available on the Green bond section of the Issuer's website (https://www.suez.com/-/media/suez-global/files/publication-docs/pdf-english/finance/suez-greenbondframework-en-2022.pdf?open=true). If in respect of any particular issue of Notes, there is a particular identified use of proceeds (other than as specified above), this will be stated in the applicable Final Terms.

In relation to "Green Bonds", the Green Bond Framework is aligned with the four core components of the 2021 Green Bond Principles voluntary guidelines published by the International Capital Market Association (the "**GBP**"): (i) use of proceeds, (ii) process for project selection, (iii) management of proceeds and (iv) reporting. It may be further updated or expanded to reflect evolutions in market practices, regulation and in the Issuer's activities. The Green Bond Framework sets out categories of Eligible Green Projects (the "**Eligible Green Project Categories**") which have been identified by the Issuer and any other category of Eligible Green Projects that the Issuer might elect to create in the future (each as defined in the Green Bond Framework) which meet a set of Definitions and Technical Eligibility Criteria (as defined in the Green Bond Framework) (the "**Eligible Green Projects**").

The Issuer has appointed Sustainalytics to provide a second party opinion (the "**Second Party Opinion**") on the Green Bond Framework, assessing the green sustainability of the Green Bond Framework and its alignment with the GBP. This Second Party Opinion document is available, and any further second party opinions which may be rendered in respect of the issue of Notes within the Green Bond Framework will be available, on the Issuer's website (https://www.suez.com/-/media/suez-global/files/publication-docs/pdf-english/finance/suez-greenbondframework-secondpartyopinion-en-2022.pdf?open=true).

Until an amount equal to the net proceeds are allocated in full to Eligible Green Projects and later in the case of any material change in the list of Eligible Green Projects, one of the external auditors of the Issuer, is expected to issue a report on (i) the compliance of projects financed by Green Bonds with Definitions and Technical Eligibility Criteria defined in the Green Bond Framework, (ii) allocated amount related to the Eligible Green Projects financed by the Green Bonds proceeds; and (iii) the management of proceeds and unallocated proceeds amount.

DESCRIPTION OF THE ISSUER

1 Information about the Issuer

Legal and commercial name of the Issuer

The legal and commercial name of the Issuer is "Suez".

Place of registration, registration number and legal entity identifier ('LEI') of the Issuer

The Issuer is registered with the Nanterre Trade and Companies Register under number 901 644 989.

LEI of the Issuer: 5493007LKZ37MXEN5D79.

Date of incorporation and term of the Issuer

The Issuer was incorporated on 22 July 2021 for a term of 99 years, i.e., until 21 July 2120, unless it is dissolved early or extended by decision of the shareholders pursuant to law and the articles of association.

The financial year begins on 1 January and closes on 31 December of each year.

Domicile and legal form of the Issuer, the legislation under which it operates, its country of incorporation, the address, telephone number of its registered office and website

The registered office of the Issuer is located at 16 Place de l'Iris (Tour CB21), 92400 Courbevoie, France. The telephone number of the registered office is +33 1 58 81 20 00.

The Issuer is a *société anonyme* incorporated under the laws of France.

The address of the Issuer's website is: www.suez.com. The information on such website does not form part of this Base Prospectus.

History and development

1869:	The trade revolution: as soon as the SUEZ canal opens, it revolutionizes world trade. This marks the beginning of the Group's industrial success and the birth of its name, a synonym of audacity, ambition and innovation.
1880:	The hygiene and public health revolution: the industrial revolution leads to rapid development of cities. To protect people's hygiene and health, water and sanitation networks are built over great distances, providing access to drinking water and wastewater treatment. A modern waste collection system is also invented.
1945:	The urban comfort revolution: after the Second World War, as big cities and suburbs grow, inhabitants' needs increase, calling for a constant supply of clean water to meet growing requirements, and collection and treatment of increasing waste quantities.
1990 – Today:	At the dawn of the 21st century, a new chapter begins at the Rio Earth Summit. World leaders make the protection of the earth a priority. In an exponentially growing world, cities and industries are seeking new solutions to face resource scarcity and climate change. In 2022, driven by a passion for the environment, the c. 35,000 employees of the Group on all five continents are committed to inventing radical new solutions to preserve and restore the fundamental elements of the environment: water, soil and air.

May 2021: On 14 May 2021, Veolia and SUEZ (a French *société anonyme* registered with the Nanterre Trade and Companies Register under number 433 466 570) ("**Former SUEZ**") entered into a merger agreement between themselves (the "**Merger Agreement**") and the Consortium Memorandum of Understanding with Meridiam Sustainable Water and Waste Fund, GIP Highbury SAS, Caisse des Dépôts et Consignations and Infra-Invest France (together, the "**Consortium**") for the acquisition of part of the activities of Former SUEZ.

June 2021: On 29 June 2021, the Consortium submitted a binding contractual commitment to purchase certain entities controlled by, assets held by, and direct and indirect liabilities of, the Former SUEZ (the "**New Suez Perimeter**") which was approved by the Boards of Directors of Former SUEZ and Veolia (the "**Put Option Agreement**").

The activities included in the scope of such New Suez Perimeter are :

- Municipal water (Eau France) and solid waste (R&V France) in France (including the main research centre in France: CIRSEE);
- Former SUEZ's activities, particularly in water and in the following geographies: Italy (including the shares held in Acea), Czech Republic, Africa (including Morocco), Central Asia, India, China, Australia, and the global digital and environmental activities (SES);
- Two hazardous waste incinerators in mainland China: Shanghai Industrial Park and Suzhou Industrial Park.

October 2021: On 21 October 2021, the purchase agreement for the acquisition of the New Suez Perimeter was signed by the Board of Directors of Former SUEZ (in accordance with the Put Option Agreement) (the "**Purchase Agreement**").

November 2021: Mrs. Sabrina Soussan was appointed as future CEO of the Issuer.

End 2021 - mid-January 2022: Approval granted by the competition authorities (Europe, United Kingdom, Australia) to Veolia regarding anti-trust proceedings in the context of the acquisition of the New Suez Perimeter.

January 2022: On 18 January 2022, Veolia takeover bid is closed and final phase of transfer of the New Suez Perimeter to the Issuer began.

On 31 January 2022, the acquisition by the Consortium of the New Suez Perimeter, in accordance with the Merger Agreement and the Purchase Agreement, is completed.

Mrs. Sabrina Soussan takes up her position as the CEO of the Issuer.

Credit ratings assigned to the Issuer

The long-term senior unsecured debt and the short-term senior unsecured debt of the Issuer are currently rated Baa2 with stable outlook and Prime 2 respectively by Moody's.

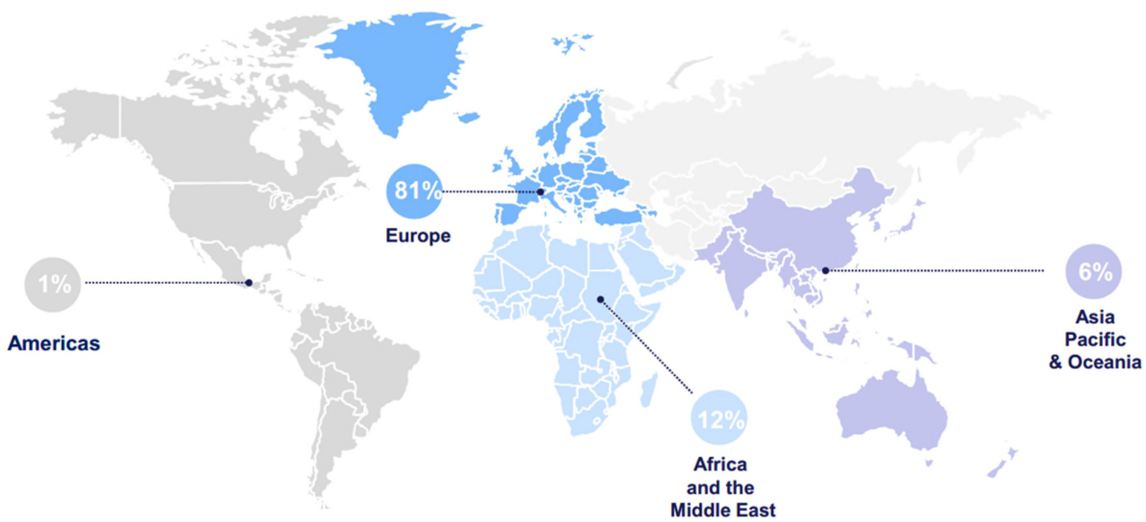
2 Business overview[1]

With total revenues of €7.5 billion and 34,126 employees as of 31 December 2021 of the New Suez Perimeter, the Group is one of the main players in the global environment market.

The Issuer is supporting the environmental transition of a market which has 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.

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 2021 revenues by region



The Group benefits from an extensive network of subsidiaries and branches.

In 2021, the New Suez Perimeter generated revenues of €7.5 billion. Revenues per business activity break down as follows:

- Europe, representing 81% of the New Suez Perimeter's consolidated revenues in 2021: €6,108 million;
- Africa, Middle East & Central Asia, representing 12% of the New Suez Perimeter's consolidated revenues in 2021: €898 million;
- Asia Pacific & Oceania, representing 6% of the New Suez Perimeter's consolidated revenues in 2021: €447 million;
- Americas, representing 1% of the New Suez Perimeter's consolidated revenues in 2021: €81 million.

[1] Financial information provided in this section for the financial year ended 31 December 2021 is based on the Combined financial statements of the New Suez Perimeter for the year ended 31 December 2021.

2.1 Water France

In 2021, Water France generated consolidated revenues of €2.1 billion and employed 9,905 people.

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.

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) (Source: BIPE/FP2e study, 2019).

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 2021, Water France operated over 702 drinking water production sites and delivered over 893 million cubic meters of drinking water to the network.

In 2021, Water France operated 1,705 treatment plants, which treated nearly 1,008 million cubic meters of wastewater.

2.2 Recycling & Recovery France

In 2021, R&R France's contribution to the New Suez Perimeter's consolidated revenue amounted to €3.4 billion. At 31 December 2021, R&R France employed 12,341 people.

Specific features of the sector

In 2017, France produced 4.9 metric tons of waste per inhabitant: 69% was generated by building activities, 18% by commercial and industrial activities, 13% by municipalities and households (source: ADEME 2020). Two-thirds of the waste goes to recycling/filling (+13% in 10 years), 29% to disposal (-15% in 10 years) and 6% to energy recovery (+59% in 10 years).

The AGEC Law (anti-waste for the circular economy), adopted on February 2020, 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 €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, adopted on September 2020, 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 Emissions Trading Scheme carbon quota system. In France, the "climate and resilience" law, adopted on 20 July 2021, focuses on the development of renewable and recovery energies, the greening of public procurement, better consumer information and genuine environmental education.

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 2021, R&R France provided waste collection services to nearly 8 million inhabitants and 38,168 industrial and commercial customers. The company treated over 15.4 million metric tons of waste. As of 31 December 2021, R&R France operated 73 composting platforms, 31 incineration sites (all sites with an energy recovery capacity), and 298 sorting and transfer stations.

2.3 Africa, Middle East, Central Asia (AMECA)

AMECA contributed €778.3 million to the New Suez Perimeter's consolidated revenues in 2021. The New Suez Perimeter employed 4,069 people in this region as of 31 December 2021.

2.3.1 Africa

In 2021, Africa contributed €0.7 billion to the New Suez Perimeter's consolidated revenues and employed 3,871 people in this region as of 31 December 2021.

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 Former SUEZ have been the operators with the most widespread presence. However, African companies are favored for "EPC" (Engineering/Procurement/Construction) projects.

Description of activities

Water

In Morocco, the Group is active in the water sector through Lydec, in which it has a 51% stake[2], 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 2021, Lydec contributed €669 million to the New Suez Perimeter's consolidated revenues, broken down into activities related to electricity (70%), and drinking water distribution and wastewater treatment (30%).

As of 31 December 2021, Lydec employed 3,198 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 de l'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 the Group.

Present in Egypt for several decades, the Group currently operates two water treatment plants, one in Alexandria and one in Cairo. Since November 2018, the Group 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).

[2] Transfer of the 51% stake in Lydec to the Issuer has not occurred yet and remains subject to the authorizations of the *Autorité Délégante* and *Autorité de Tutelle*.

In sub-Saharan Africa, the Group 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 degremont® compact unit or UCD activities (i.e. decentralized solutions for compact drinking water production plants), 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. the Group 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.

2.3.2 Central Asia

The contribution of Central Asia zone to the New Suez Perimeter's consolidated revenues was insignificant and 12 people were employed in this area as of 31 December 2021.

2.4 Presentation of Asia Pacific activities (APAC)

In 2021, the Asia Pacific Region contributed €0.6 billion to the New Suez Perimeter's consolidated revenues and employed 2,127 people.

2.4.1 Asia

In 2021, Asia's contribution to the New Suez Perimeter's revenues totalled €288 million. As of 31 December 2021, the New Suez Perimeter employed 1,132 people in this region.

Specific features of the sector

Water

The Asian area 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 as 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% (World Bank 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.

The waste sector in China has undergone substantial developments over recent years with a substantial development of sanitary landfills, waste-to-energy facilities as well as organic waste composting plants, particularly in urban area. The sector has therefore attracted significant investments and activities by large state-owned enterprises as well as national and foreign private operators. The recently issued 14th five-year plan emphasizes the need for more recycling and recovery, particularly in the field of construction waste, electronic waste, batteries, etc. as well as better tracking of hazardous waste flows. This sector should therefore continue to grow with the implementation of more stringent environmental regulations.

Description of activities

Water

The Group has a presence in China through its water management concession in Macau and its 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 build-operate-transfer (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 the Issuer as the sole shareholder.

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 300 design-build contracts in China.

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

Waste

The Group is present in the waste sector in mainland China through joint ventures with local partners operating hazardous waste incinerators located in key industrial parks. The Group is also interested in opportunities on the recycling market and in the area of soil remediation.

2.4.2 Australia

In 2021, Australia's contribution to the New Suez Perimeter's consolidated revenues totalled €0.2 billion. As of 31 December 2021, the New Suez Perimeter employed 314 people in this region.

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.

Description of activities

Water

The Group estimates that it 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. The Group's 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.

2.4.3 India

In 2021, India's contribution to the New Suez Perimeter's consolidated revenues totalled €0.2 billion. The New Suez Perimeter employed 682 people in the region.

Specific features of the sector

Water is a fundamental concern for the Indian central government, which launched a five-year program (the Atal Mission for Rejuvenation and Urban Transformation (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 the Group 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.

Description of activities

The Group 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), the Group 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.

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

2.5 Presentation of Europe activities

2.5.1 Italia

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 design and build (D&B) projects and O&M activities. The Group manages two of the main wastewater treatment plants in the Naples metropolitan area. The Issuer 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.

2.5.2 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).

2.5.3 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 a contract with the city of Mlawa;
- in Croatia, through the construction of the drinking water plant in Dubrovnik;
- in Romania, through the modernization of the wastewater treatment plant in Glina.

2.6 Presentation of Smart & Environmental Solutions (SES) activities

The global business line – 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 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 the Group's 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 2,861 employees and with revenue of €0.4 billion in 2021, 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.

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 Internet of Things ("**IoT**") 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.

Description of activities

<u>a) Digital and decentralized solutions</u>

- *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.

- *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.

- *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.

- *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.

b) Performance management and unaccounted-for water

- *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.

- *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).

<u>c) Monitoring of environmental quality and smart agriculture</u>

- *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.

- *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.

<u>d) Air & Climate</u>

- *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 greenhouse gases ("**GHG**") footprint through pollution treatment, carbon wells, pre-treatment and biological recovery.

- *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.

e) Smart City & Consulting

- *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.

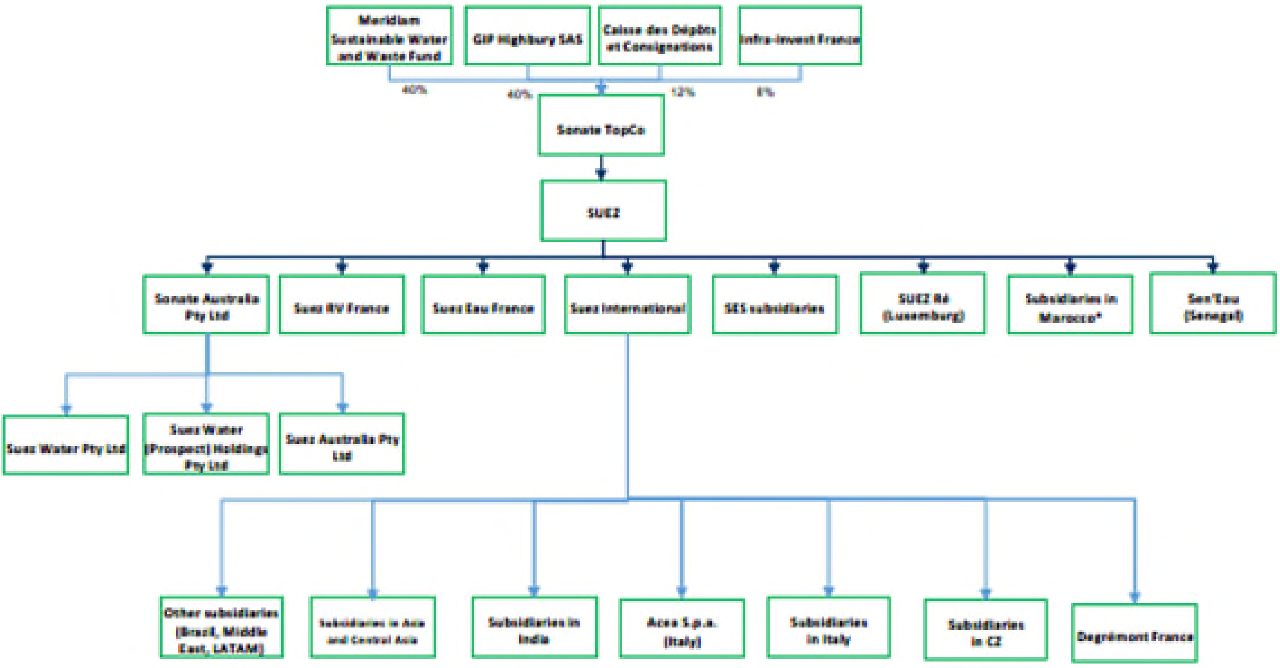
- *Smart City*

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, the Group'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.

3 Organizational structure

Description of the Group and the Issuer's position within the Group

The simplified corporate chart of the Group as of 31 January 2022 is as follows:



* Regarding Lydec, subject to the authorizations of « *Autorité délégante* » and « *Autorité de tutelle* ».

4 Administrative, management and supervisory bodies

Names, business addresses and functions of the members of the Board of Directors

Name	Position	Significant mandate outside the Group
Thierry Déau	Chairman of the Board of Directors	President at MSAS Executive committee member at Autostrada Wielkopolska S.A. Executive committee member at Autostrada Wielkopolska II S.A. Executive committee member at Norscut, Concessao de Auto-Estradas, S.A. Executive committee member at Vélopolis SAS Executive committee member at NTE Mobility Partners LLC
Sandra Lagumina	Director	Executive Director at Meridiam SAS Board Member at Fnac Darty Group
Julien Touati	Director	Executive committee member at Meridiam SAS Board Member at Allego Board Member at Evergaz Board Member at Voltalis

Antoine Lissowski	Director	Board Member at Elsan Board Member at SACRA
Deepak Agrawal	Director	Investment Partner at GIP
Tufan Erginbilgic	Director	Business Improvement Partner at GIP
Antoine Kerrenneur	Director	Investment Principal at GIP
Mike O'Sullivan	Director	Business Improvement Partner at GIP
Antoine Saintoyant	Director	Member of the Executive Committee of Caisse des dépôts et consignations since September 2020 Board Member of Bpifrance S.A. since December 2020 Member of the Supervisory Board of CDC Habitat SAEM since December 2020 Board Member and VP of the Board of Compagnie des Alpes S.A. since November 2020 Board Member of Egis S.A. since October 2020 Board Member of ICADE S.A. since October 2020 Member of the Supervisory Board of La Banque Postale S.A. since February 2021 Board Member of La Poste S.A. since January 2021
Stéphane Dédéyan	Director	Member of the Executive Committee of La Banque Postale (SA) Chairman of the Board of Directors of Arial CNP Assurances (SA) Member and Vice-Chairman of the Supervisory Board, member of the Remuneration and Nominations Committee of BPE (SA) Director of Holding XS1 (Brazil) Vice-Chairman of the Board of Directors of XS5 Administradora de Consórcios (Brazil) Member of the Strategy and Investments Committee of La Poste Silver (SAS)

All the members of the Board of Directors are domiciled at Tour CB21, 16, place de l'Iris, 92400 Courbevoie (France).

Conflicts of interests

To the Issuer's knowledge, as of the date of this Base Prospectus, there are no potential conflicts of interest between the duties of the members of the Board of Directors as regards the Issuer and their respective private interests and/or other duties.

Names, business addresses and functions of the members of the management

Name	Position	Significant mandate outside the Group
Sabrina Soussan	Chief Executive Officer	Director of ITT Inc.
Maximilien Pellegrini	Deputy Chief Executive Officer	Director of French American Foundation Member of the office of Institut de la Gestion Déléguée Chairman of Fédération Professionnelle des Entreprises de l'Eau Co-Chairman of Cercle Colbert
Frederick Jeske-Schoenhoven	Senior Vice President of Strategy, Communication and Sustainable Development	None
Laurent-Guillaume Guerra	SUEZ Group Chief Human Resources Officer for France (from 1 April 2022)	None
Philippe Andrau	Chief Legal Officer	None

All the members of the management are domiciled at Tour CB21, 16, place de l'Iris, 92400 Courbevoie (France).

As announced by the Issuer on 10 March 2022, Thomas Devedjian has been appointed as Chief Financial Officer of the Issuer with effect on 1 May 2022. Mr. Devedjian had previously held the Chief Financial Officer position at Eramet group since 2016. He started his career at the France's Ministry of Finance, before becoming Deputy Director of Investments at EURAZEO (2006-2009), and then joining the FSI, which was later integrated into Bpifrance, where he was an Executive Committee member.

5 Major shareholders

5.1 Shareholding structure

The table below sets forth information relating to the shareholding of the Issuer as at the date of this Base Prospectus:

Shareholder	Number of shares	% of share capital	Number of voting rights	% of voting rights
Sonate TopCo	3,824,246,235	>99.99%	3,824,246,235	>99.99%
Meridiam Sustainable Water and Waste Fund	1	<0.01%	1	<0.01%
Total	**3,824,246,236**	**100%**	**3,824,2469,236**	**100%**

The Issuer is owned at more than 99.99% by Sonate TopCo, a French *société par actions simplifiée* registered with the Commercial and Companies Register of Nanterre under number 900 217 753 with a registered office located at Tour CB21, 16, place de l'Iris, 92400 Courbevoie, France ("**Sonate TopCo**").

Sonate TopCo's shareholding is currently as follows:

- 40% of its share capital and voting rights are held by Meridiam Sustainable Water and Waste Fund, a French *société de libre partenariat* registered with the Commercial and Companies Register of Paris under number 900 669 698 with a registered office located at 4 Place de l'Opéra, 75002 Paris, France ("**Meridiam Sustainable Water and Waste Fund**");

- 40% of its share capital and voting rights are held by GIP Highbury SAS, a French *société par actions simplifiée* registered with the Commercial and Companies Register of Paris under number 904 842 531 with a registered office located at 3 boulevard de Sébastopol, 75001 Paris, France ("**GIP Highbury SAS**");

- 12% of its share capital and voting rights are held by LA CAISSE DES DEPOTS ET CONSIGNATIONS, a special institution created by the law of 28 April 1816, codified in Articles L. 518-2 *et seq.* of the French *Code monétaire et financier*, whose registered office is located 56 rue de Lille, 75007 Paris, France ("**Caisse des Dépôts et Consignations**"); and

- 8% of its share capital and voting rights are held by Infra-Invest France, a French *société par actions simplifiée à associé unique et capital variable* registered with the Commercial and Companies Register of Paris under number 821 429 594 with a registered office located at 4 Place Raoul Dautry, 75015 Paris, France ("**Infra-Invest France**").

On 28 January 2022, Sonate TopCo issued €2,100,000,001 in aggregate nominal amount of 2.44 per cent. bonds mandatorily redeemable in its shares due 2057 which were subscribed by its shareholders.

5.2 Arrangements the operation of which may at a subsequent date result in a change in control of the Issuer

On 31 January 2022, a shareholders' agreement (the "**SHA**") relating to Sonate Topco was entered into between Meridiam Sustainable Water and Waste Fund, GIP Highbury SAS (each of Meridiam Sustainable Water and Waste Fund and GIP Highbury SAS also being referred to as a "**Principal Investor**"), Caisse des Dépôts et Consignations and Infra-Invest France (Caisse des Dépôts et Consignations and Infra-Invest France being treated as a single shareholder, referred to as "**Groupe CDC**").

Governance

The governance bodies of Sonate TopCo and the Issuer include (i) a supervisory committee (*comité de surveillance*) at the level of Sonate TopCo (the "**Supervisory Committee**") and (ii) a board of directors (*conseil d'administration*) at the level of the Issuer (the "**Board of Directors**"), which initially both comprise the same 10 members.

<u>At the level of Sonate TopCco</u>

Composition of the Supervisory Committee: it shall consist of up to 10 members, appointed and removed by the shareholders. The Supervisory Committee shall initially comprise 4 members appointed by Meridiam Sustainable Water and Waste Fund, 4 by GIP Highbury SAS and 2 by Groupe CDC.

Voting at meetings of the Supervisory Committee: unless otherwise provided for certain reserved matters, decisions of the Supervisory Committee shall be adopted by a majority of more than 70% of the voting rights held by the members (a "**Qualified Majority**").

<u>At the level of the Issuer</u>

Board of Directors: it shall comprise up to 14 members, appointed for 5-year term and removed by the Issuer's shareholders, as follows:

- all members of Sonate TopCo's Supervisory Committee,
- 1 independent director appointed upon Sonate TopCo's proposal,
- 2 directors appointed upon the Chief Executive Officer's proposal from time to time, acting on behalf of the employees of Sonate TopCo's group, and
- 1 director appointed upon the Chief Executive Officer's proposal from time to time, acting on behalf of the Issuer's employee shareholders.

Unless otherwise decided by the Supervisory Committee at a Qualified Majority, the chairman of the Board of Directors shall be an independent director.

Restrictions on transfers of securities

Restrictions apply to the transfers of securities held in Sonate TopCo (the "**Securities**") - except in particular for specific transfers (the "**Free Transfers**"), such as transfers by a shareholder to any of its affiliates and *vice versa*, or transfers of Groupe CDC's Securities to the Principal Investors.

As from 1 February 2027, if one or more Sonate TopCo shareholder(s) contemplate(s) to transfer Securities to a third-party that would entitle it to exercise more than 50% of Sonate TopCo's voting rights, then the remaining shareholders shall have the right to sell, at the same price and under the same terms and conditions, all of their Securities.

Financing and dividend policy

The parties to the SHA agree to use their best efforts so that the financing policy of Sonate TopCo's group complies with an investment grade rating profile.

Sonate TopCo shall distribute all cash lawfully available for distribution, on a semi-annual basis, subject to the reasonably foreseeable cash needs of Sonate TopCo and/or its subsidiaries, to the extent complying with the financing policy and permitted under any financing arrangements of the Group.

6 Statutory auditors

The statutory auditors of the Issuer are Mazars and Ernst & Young Audit. Mazars and Ernst & Young Audit are members of the professional body *Compagnie des commissaires aux comptes de Versailles et du Centre*.

Mazars and Ernst & Young et Autres have rendered an audit report on the combined financial statements of the New Suez Perimeter for the financial year ended 31 December 2021.

7 Material contracts

The Issuer entered into a facilities agreement dated 13 August 2021 (as amended and restated on 16 December 2021, the "**Facilities Agreement**") with Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Bank of China (Europe) S.A., BNP Paribas, CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, HSBC Continental Europe, ING Bank N.V., Belgian Branch, Intesa Sanpaolo S.p.A., La Banque Postale, Mediobanca - Banca di Credito Finanziario S.p.A., Mizuho Securities Europe GmbH, Morgan Stanley Europe SE, MUFG Bank, Ltd (acting through its Paris branch), Natixis, NatWest Markets N.V., RBC Capital Markets (Europe) GmbH, SMBC Bank EU AG, Société Générale and UniCredit Bank AG, as Lenders, comprising one euro term loan facility for an amount of €2,250 million ("**Bridge Loan**"), one euro term loan facility for an amount of €2,250 million ("**Term Loan**") and one multicurrency revolving loan facility of €750 million available to the Issuer ("**Revolving Credit Facility**"). For more information on the Facilities Agreement, please refer to subsection "*Capitalization and indebtedness table as of 31 January 2022*" below.

To the Issuer's knowledge, as at the date of this Base Prospectus, there are no other material contracts that have not been entered into in the ordinary course, which could result the Issuer being under an obligation or entitlement that is material to its ability to meet its obligations to the Noteholders.

8 Capitalization and indebtedness table as of 31 January 2022

The following table sets forth the unaudited capitalization and indebtedness of the Issuer as of 31 January 2022:

(*in millions of euros*)	As at 31 January 2022 (unaudited)[5]
Cash	**182**
Bridge Loan[1]	2,250
Term Loan[2]	2,061
Revolving Credit Facility	140[3]
Total financial debt	**4,451**
Shareholders' capital and premium	3,824[4]
Total Capitalization	**3,824**

[1] Represents the euro term loan facility for an amount of €2,250 million under the Facilities Agreement, with initial termination date falling 12 months from the closing date of the acquisition of the New Suez Perimeter by the Issuer (i.e., 31 January 2023) (which may be extended to 24 months).
[2] Represents the euro term loan facility for an amount of €2,250 million under the Facilities Agreement, with initial termination date falling three years from the closing date of the acquisition of the New Suez Perimeter by the Issuer (i.e., 31 January 2025) (which may be extended to five years).
[3] Represents the amount drawn as of 31 January 2022 under the €750 million Revolving Credit Facility under the Facilities Agreement, with initial termination date falling five years from the closing date of the acquisition of the New Suez Perimeter by the Issuer (i.e., 31 January 2027) (which may be extended to seven years).
[4] Ordinary shares.
[5] Information based on the annual financial statements of the Issuer established in French GAAP.

The Bridge Loan and the Term Loan have been entered into by the Issuer in the context of, and for the purpose of, financing the acquisition of the New Suez Perimeter by the Issuer and are intended to be refinanced, including by way of issue of Notes under the Programme, it being specified that in accordance with the provisions of the Facilities Agreement the Bride Loan will be refinanced first and the Term Loan thereafter.

The debt and equity sources of the Issuer as of 31 January 2022 and their uses are shown in the table below:

Sources	
	(*in millions of euros*)
Total financial debt	4,451
Shareholder’s capital & Premium	3,824
Total sources	**8,275**

Uses	
	(*in millions of euros*)
Purchase Price[1]	8,018
Transaction fees, loan fees and cash at bank[2]	257
Total uses	**8,275**

[1] Represents the purchase price of all the tangible and intangible assets and liabilities of the New Suez Perimeter acquired by the Issuer as paid on 31 January 2022.

[2] Represents fees disbursed on 31 January 2022 as well as Issuer's cash at bank on 31 January 2022.

9 Bridge from the Issuer's and New Suez Perimeter's financial information as of 31 December 2021 to the Group's information as of 31 January 2022

The following table intends to provide a bridge from the Issuer's accounts as at 31 December 2021 and financial information of the New Suez Perimeter as set out in the combined financial statements as of 31 December 2021 to an aggregated view presenting the combined perimeter of the Issuer as of 31 January 2022:

	(a)	(b)	(1)	(2)	(3)	(4)	(c) = 1+2+3+4	(e) = a+b+c
in €m	**ISSUER 31/12/2021**	ISSUER transactions prior to acquisition	ISSUER Disbursment on 31/01/2022 for the acquisition of NEW SUEZ	New Suez Perimeter combined scope at 31/12/2021	New Suez Perimeter transactions prior to acquisition	Intercompany elimination between ISSUER and New Suez Perimeter	**Acquisition New Suez Perimeter**	**ISSUER and New Suez Perimeter 31/01/2022**
Share capital & Premium	0	3 824						3 824
Net cash	0	8 200	-8 018	1 186	-237	-261	-7 330	870
Borrowings and debt		4 451		2 041	-144	-1 529	367	4 818
Lease liability			83	487	-7	-57	505	505
Other elements				1	0		1	1
Gross Debt	0	4 451	83	2 528	-152	-1 587	872	5 323
Net Financial Debt	0	-3 749	8 101	1 343	84	-1 325	8 202	4 453

Column (a) presents information from the Issuer's accounts for the financial year ended 31 December 2021.

Column (b) illustrates the capital injection as well as drawing by the Issuer on the Bridge Loan, the Term Loan and the Revolving Credit Facility under the Facilities Agreement (as detailed in subsection 8 "*Capitalzation and indebtedness table as of 31 January 2022*" of the section "*Description of the Issuer*") and their impact on the Issuer's accounts.

Column (c) is the sum of columns 1 to 4 and reflects balance sheet movements in relation to the acquisition of the New Suez Perimeter between 31 December 2021 and 31 January 2022.

> Column (1) represents the purchase price of all the tangible and intangible assets and liabilities of the New Suez Perimeter acquired by the Issuer as paid on 31 January 2022.
>
> Column (2) represents the Issuer's combined perimeter's net debt as at 31 December 2021.
>
> Column (3) illustrates the net debt impact of reorganisation transactions which occurred between 31 December 2021 and 31 January 2022, as well as the operating, investing and financing cash flows of the New Suez Perimeter for January 2022.
>
> Column (4) corresponds to the refinancing of intercompany debt by the Issuer and associated intercompany elimination as at 31 January 2022.

Column (e) provides a view of the Issuer's legal combined perimeter as at 31 January 2022.

As mentioned in Note 20 to the Combined Financial Statements of the Issuer's New Suez Perimeter or the year ended 31 December 2021, those are inclusive of Lydec (a company with a contributing net debt of circa €104 million as at the 31 December 2021 and €91 million as at the end of 31 January 2022). Lydec remains to be acquired by the Issuer and the final acquisition price will be subject to Lydec shareholders' participation: the acquisition price for the shares not held by the Issuer at 31 January 2022 could reach MAD 1,102 million (c.

€105 million[3]) for 51% of the shares currently held by Veolia to MAD 2,160 million (c. €205 million[2]) for 100% of the shares.

Consortium members confirmed their intention to ultimately proceed with a capital increase of the Issuer to finance or refinance, as the case may be, this acquisition.

The Issuer will also be subject to paying (i) an earn-out based on the New Suez Perimeter's 2021 financial performance and (ii) the final purchase price will be subject to an adjustment mechanism, essentially a net debt adjustment (excluding Leases), which outcome will have to be agreed between Veolia and the Consortium in the course of 2022 (the "**Purchase Price Adjustment**").

The maximum earn-out amount is €300 million and Consortium members confirmed their intention to ultimately proceed with a capital increase of the Issuer for an equivalent amount.

Considering the cash available in the New Suez Perimeter as well as at the Issuer level on 31 January 2022 (i.e. € 870 million), the availability of the undrawn portion of the Revolving Credit Facility under the Facilities Agreement, as well as the Consortium's intention to maintain an investment grade credit profile for the Issuer, the Issuer's management does not anticipate the Purchase Price Adjustment to negatively impact the Issuer's ability to fund its liquidity requirements.

[3] On the basis of an exchange rate of MAD 10.5168 for €1.

COMBINED FINANCIAL STATEMENTS OF THE NEW SUEZ PERIMETER FOR THE YEAR ENDED 31 DECEMBER 2021

1. Combined statements of financial position

(in millions of euros)	Note	December 31, 2021	December 31, 2020
Non-current assets			
Intangible assets, net	9	1,459.8	1,474.9
Goodwill	8	999.4	959.6
Property, plant and equipment net	10	1,467.8	1,487.1
Rights of use	14	467.5	573.8
Equity instruments	12.1	52.7	82.9
Loans and receivables carried at amortized cost – portion due in more than one year	12.1	606.4	741.9
Derivative financial instruments – portion due in more than one year	12.1	0.1	-
Investments in joint ventures	11.1	626.7	851.4
Investments in associates	11.2	1,677.0	778.3
Contract assets – portion due in more than one year	4.1.3	67.2	66.2
Other assets – portion due in more than one year	12	135.6	153.0
Deferred tax assets	7	316.6	374.7
Total non-current assets		**7,876.8**	**7,543.8**
Current assets			
Loans and receivables carried at amortized cost	12	150.8	53.9
Derivative financial instruments – portion due in less than one year	12	9.7	7.1
Trade and other receivables – portion due in less than one year	12	2,491.9	2,327.3
Inventories	1.5.8	209.8	192.5
Contract assets – portion due in less than one year	4.1.3	296.1	267.7
Other assets – portion due in less than one year	12	783.0	884.8
Financial assets measured at fair value through income	12	27.2	23.4
Cash and cash equivalents	12	1,157.9	1,031.0
Total current assets		**5,126.4**	**4,787.7**
Total combined assets		**13,003.2**	**12,331.5**
Owner's net investment (combined net asset) , Group share		3,373.6	2,782.3
Non-controlling interests	17	362.6	803.9
Total owner's net investment (combined net asset)		**3,736.2**	**3,586.2**
Non-current liabilities			
Provisions – portion due in more than one year	16	811.8	765.8
Long-term borrowings – portion due in more than one year	12.2	644.4	777.7
Lease liabilities – portion due in more than one year	14.3	362.4	454.1
Derivative financial instruments – portion due in more than one year	12.2	0.1	0.4
Other financial liabilities – portion due in more than one year	12.2	6.5	0.7
Contract liabilities – portion due in more than one year	4.1.3	133.8	103.6
Other liabilities – portion due in more than one year	12	243.6	235.8
Deferred tax liabilities	7	263.1	180.0
Total non-current liabilities		**2,465.7**	**2,518.1**
Current liabilities			
Provisions - – portion due in less than one year	16	142.4	123.3
Short-term borrowings - – portion due in less than one year	12.2	1,396.4	1,427.3
Lease liabilities – portion due in less than one year	14.3	124.5	136.0
Derivative financial instruments – portion due in less than one year	12.2	7.9	7.4
Trade and other payables – portion due in less than one year	12.2	2,225.9	1,660.8
Contract liabilities – portion due in less than one year	4.1.3	592.6	651.6
Other liabilities – portion due in less than one year	12	2,311.6	2,220.8
Total current liabilities		**6,801.3**	**6,227.2**
Total Liabilities and Owner's net investment (combined net asset)		**13,003.2**	**12,331.5**

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.

2. Combined income statements

(in millions of euros)	**Note**	December 31, 2021	**December 31, 2020**
Revenues	4.1	7,534.2	6,608.7
Purchases		(2,257.2)	(1,492.0)
Personnel costs	4.2	(1,847.9)	(1,754.8)
Depreciation, amortization and provisions	4.3	(608.3)	(690.1)
Other operating expenses	4.4	(2,755.8)	(2,857.7)
Other operating income	4.4	231.2	210.9
Current operating income	**4**	**296.2**	**25.0**
Impairment on property, plant and equipment, intangible and financial assets		(20.7)	(98.0)
Restructuring costs		(67.6)	(31.4)
Other gains and losses on disposals		(14.5)	(33.0)
Other non-recurring transactions		(0.2)	(4.5)
Income from operating activities	**5**	**193.2**	**(111.4)**
Share in net income of equity-accounted companies considered as core business		175.2	119.3
of which: share in net income (loss) of joint ventures	12.1	*45.2*	*36.6*
of which: share in net income (loss) of associates	12.2	*130.1*	*82.7*
Income from operating activities after share in net income of equity-accounted companies considered as core business		**368.4**	**7.9**
Financial expenses		(115.6)	(113.5)
Financial income		34.9	42.2
Net financial income (loss)	**6**	**(80.7)**	**(71.3)**
Income tax expense	7	(100.0)	(44.8)
Net income		**187.7**	**(108.2)**
Of which: Group share		118.1	(153.2)
Non controlling interests		69.6	45.0

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.

Note: each of the two financial years presented corresponds to a period of 12 calendar months.

3. Combined statements of comprehensive income

(in millions of euros)	December 31, 2021	December 31, 2021 of which Group share	December 31, 2021 of which non controlling interests	December 31, 2020	December 31, 2020 of which Groupnon share	December 31, 2020 of which controlling interests
Net income	**187.7**	**118.1**	**69.6**	**(108.2)**	**(153.2)**	**45.0**
Net investment hedges	-	-	-	-	-	-
Cash flow hedges (excluding commodities)	6.6	6.5	0.2	(1.8)	(1.7)	-
Commodity cash-flow hedges	2.2	2.2	-	-	-	-
Deferred taxes on items above	(2.5)	(2.4)	(0.0)	-	-	-
Translation adjustments [(a)]	167.9	119.9	48.0	(84.1)	(58.0)	(26.1)
Total reclassifiable items	**174.3**	**126.2**	**48.1**	**(85.9)**	**(59.7)**	**(26.1)**
of which share of joint ventures in reclassifiable items, net of taxes	*28.9*	*28.9*	-	*4.3*	*4.3*	-
of which share of associates in reclassifiable items, net of taxes	*81.6*	*81.6*	-	*(9.5)*	*(9.5)*	-
Actuarial gains and losses	(9.8)	(10.0)	0.3	0.6	7.0	(6.4)
Deferred taxes on actuarial gains and losses	3.5	3.2	0.3	1.3	(0.5)	1.8
Equity instruments	44.7	44.7	-	(3.6)	(3.6)	
Deferred taxes on equity instruments	0.0	0.0	-			-
Total non-reclassifiable items	**38.4**	**37.9**	**0.5**	**(1.7)**	**2.9**	**(4.6)**
of which share of joint ventures in non-reclassifiable items, net of taxes	-	-	-	-	-	-
of which share of associates in non-reclassifiable items, net of taxes	*2.0*	*2.0*	-	*6.2*	*6.2*	-
Other comprehensive income	**212.7**	**164.0**	**48.7**	**(87.6)**	**(56.8)**	**(30.7)**
Comprehensive income	400.4	282.1	118.2	(195.8)	(210.0)	14.3

(a) Out of a total of EUR 119,9 million, 97,6 EUR million to the variation of Chinese yuan and EUR 16,9 million are related 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.

Note: each of the two financial years presented corresponds to a period of 12 calendar months.

4. Statements of changes in owner's net investment (combined net asset)

(in millions of euros)	Net contribution from SUEZ Group	Change in fair value and other	Translation adjustments	Combined net assets	Non-controlling interests	Total
Owner's net investment at December 31, 2019	**3,135.2**	**(61.7)**	**(33.9)**	**3,039.6**	**821.2**	**3,860.8**
Net income	(153.2)			(153.2)	45.0	(108.2)
Other comprehensive income	6.5	(5.3)	(58.0)	(56.8)	(30.8)	(87.6)
Comprehensive income	**(146.7)**	**(5.3)**	**(58.0)**	**(210.0)**	**14.2**	**(195.8)**
Dividends distributed in cash	(124.0)			(124.0)	(66.4)	(190.4)
Other changes	76.7			76.7	34.9	111.6
Owner's net investment at December 31, 2020	**2,941.2**	**(67.0)**	**(91.9)**	**2,782.3**	**803.9**	**3,586.2**
Net income	118.1			118.1	69.6	187.7
Other comprehensive income	6.2	37.9	119.9	164.0	48.7	212.7
Comprehensive income	**124.3**	**37.9**	**119.0**	**282.1**	**118.4**	**400.5**
Dividends distributed in cash	(103.9)			(103.9)		(103.9)
Increase in combined net assets [(a)]	1,061.4			1,061.4		1,061.4
Decrease in combined net assets [(a)]	(1,268.3)			(1,268.3)		(1,268.3)
Other changes	125.4			125.4		125.4
Total transactions with former SUEZ (non combined entities)	**(185.5)**			**(185.5)**		**(185.5)**
Change in interest percentage – full consolidation method	341.6			341.6	(341.6)	
Change in interest percentage – equity method of consolidation.	153.1			153.1	(153.1)	
Change in ownership percentages	**494.7**			**494.7**	**(494.7)**	
Dividends distributed in cash to non-controlling interests					(49.0)	(49.0)
Other changes					(16.0)	(16.0)
Owner's net investment at December 31, 2021	**3,374.7**	**(29.1)**	**28.0**	**3,373.6**	**362.6**	**3,736.2**

(a) Main transactions are indicated in note 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.

5. Combined statements of cash flows

(in millions of euros)	Note	December 31, 2021	December 31, 2020
Net income		**187.8**	**(108.2)**
Share in net income (loss) of joint ventures	11.1	(45.2)	(36.6)
Share in net income (loss) of associates	11.2	(130.1)	(82.7)
Dividends received from joint ventures and associates		93.3	67.9
Depreciation, amortization and provisions		621.6	695.4
Scope effects, other gains and losses on disposal		15.8	11.4
Other items with no cash impact		19.7	0.3
Lease contracts impact		(1.8)	(0.1)
Income tax expense	7	100.0	44.8
Financial income	6	80.7	71.3
Cash flows from operations before financial income/(expense) and income tax		**941.8**	**663.5**
Tax paid including withholding tax on royalties		(6.9)	(44.5)
Change in working capital requirements		**11.4**	**62.2**
Cash flows from operating activities		**946.3**	**681.2**
Investments in property, plant and equipment and intangible assets		(409.2)	(455.0)
Takeover of subsidiaries net of cash and cash equivalents acquired		(7.8)	13.8
Acquisitions of interests in associates and joint-ventures		(37.3)	(25.6)
Acquisitions of equity instruments		(22.3)	(5.0)
Disposals of property, plant and equipment and intangible assets		29.9	15.1
Disposals of interests in associates and joint-ventures		-	59.1
Disposals of equity instruments		2.0	0.2
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold		1.4	(0.9)
Other interest on financial assets, net		(23.9)	(1.0)
Dividends received on non-current financial assets		2.7	2.1
Change in loans and financial receivables		107.1	36.6
Change in financial assets at fair value through income		(2.9)	(23.5)
Financial interest received		5.1	16.3
Flows on financial derivatives qualifying net investment hedges and compensation payments on financial derivatives		(1.2)	5.1
Cash flows from investing activities		**(356.4)**	**(362.7)**
Net impact of restructuring operations to create the "new SUEZ" [(a)]		106.3	-
Capital increase/reduction of non controlling interests		(57.5)	44.5
Dividends paid to non-controlling interests		(128.7)	(210.9)
Increase in loans and financial debt	12.2.1	252.3	747.7
Repayment of lease liabilities	14	(144.0)	(151.6)
Repayment of borrowings and financial debts	12.2.1	(584.3)	(679.4)
Financial interest on lease liabilities	14	(7.5)	(8.8)
Other financial interest paid		(26.9)	(39.4)
Cash flows from financing activities		**(590.3)**	**(297.9)**
Impact of changes in exchange rates and other		127.4	(18.5)
Total cash flows for the period		127.0	2.2
Opening cash and cash equivalents		**1,031.0**	**1,028.8**
Closing cash and cash equivalents		**1,158.0**	**1,031.0**

(a) The main restructuring operations are indicated in note 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.

6. Notes to the combined financial statements

Note 1 Basis of presentation, principles and accounting policies

1.1 Presentation of the New SUEZ

Creation of the New SUEZ

On June 29, 2021, the Board of Directors of SUEZ SA approved the proposed public tender offer launched by Veolia for SUEZ SA shares at a price of €20.50 per share, with coupon attached. At the same time, as provided for in the merger agreement concluded on May 14, 2021 between Veolia and SUEZ SA, a consortium of long-term investors consisting of the Meridiam, GIP funds, Caisse des Dépôts and CNP Assurances (hereinafter the Consortium) gaveVeolia and SUEZ SA a final binding offer to purchase the New SUEZ perimeter (hereinafter New SUEZ or the combined group) for an enterprise value of €10.4 billion, to which is attached a draft purchase agreement, known as the Share and Asset Purchase Agreement or SAPA.

On October 22, 2021, following the finalisation of the information- consultation procedures with the relevant SUEZ Group employee representative bodies, Veolia, SUEZ SA and the Consortium signed a finalised version of the SAPA, the terms and conditions of which are in line with those set out in the project publicly announced on 29 June 2021.

On December 14, 2021, Veolia received authorization from the European Union, along with a list of "remedies" in the hazardous waste and industrial water sectors, to launch its public tender offer for the shares of SUEZ SA, thereby lifting the last condition precedent to the sale of the New SUEZ perimeter to the Consortium.

Activities operated by the New SUEZ

The New SUEZ perimeter consists of controlled entities, assets held and liabilities borne directly or indirectly by SUEZ SA (the inventory of which is established in Appendix G1 of the SAPA). The activities included in this scope are:

- municipal water (Eau France) and solid waste (R&V France) in France (including the main research centre in France: CIRSEE);
- SUEZ activities, particularly in water and in the following geographies: Italy (including the shares held in Acea), Czech Republic, Africa (including Lydec in Morocco), Central Asia, India, China, Australia and the global digital and environmental activities (SES);
- two hazardous waste incinerators in mainland China: Shanghai Industrial Park and Suzhou Industrial Park.

Terminology

The entities, assets and liabilities of the New SUEZ perimeter are intended to be grouped together in successive legal reorganisation steps under the control of a company called SUEZ SA, indirectly controlled by the Consortium; this company is distinct from the head company of the former SUEZ Group, also called SUEZ SA and controlled by VEOLIA since the finalisation of its takeover bid. For the sake of clarity:

- the Former SUEZ Group, which was the subject of a takeover bid by Veolia, will be referred to hereinafter as "Former SUEZ". Its parent company SUEZ SA will be referred to hereinafter as "Former SUEZ Holding company" in the following document;
- the company SUEZ SA, which is controlled by the Consortium and which is intended to take over the New SUEZ perimeter, will be referred to hereinafter as the "New SUEZ Holding Company" . This company is not controlled by Former SUEZ or by VEOLIA.

1.2 Basis of presentation of the combined accounts

The entities, assets and liabilities of the New SUEZ perimeter are intended to be grouped together in successive steps of legal reorganisation under the control of the New SUEZ Holding Company. As of December 31, 2021, New SUEZ does not constitute an independent legal group. On that basis, and in the context of the refinancing of its acquisition debt by the New SUEZ Holding Company, the purpose of the combined accounts of New SUEZ is to present the income and financial position of all the entities, assets and liabilities constituting the operational activity of New SUEZ (as defined in the SAPA) prior to this legal reorganisation.

The combined accounts of New SUEZ as at December 31, 2021 are presented in millions of euros rounded to the nearest hundred thousand euros. They were prepared by the Managing Director, Sabrina Soussan and approved by the Board of Directors of SUEZ SA (New SUEZ Holding Company) on April 20, 2022.

These financial statements have been prepared as part of the company's proposed admission of debt securities on the regulated market of Euronext Paris pursuant to Regulation (EU) No. 2017/1129 as supplemented by Delegated Regulation (EU) No. 2019/980.

Scope of combination

The New SUEZ perimeter consists of all the controlled entities, assets held and liabilities borne directly or indirectly by the Former SUEZ, the inventory of which is established in Appendix G1 of the SAPA. Note 21 presents the scope of combination.

The consolidation methods are those used by Former SUEZ in its 2020 and 2021 IFRS accounts. They reflect the level of control in 2020 and 2021 of Former SUEZ over the various components of the New SUEZ scope.

The transfer of New SUEZ to the Consortium by Former took place on January 31, 2022. Nevertheless, as of this date, several transfers of subsidiaries or activities remain to be carried out once the contractually or legally required authorisations have been obtained. Note 20 sets out the key contributory data relating to the entities still to be transferred. As at the close of the accounts, the management of the New SUEZ considers that the completion of these operations is highly probable.

Autonomy of the New SUEZ perimeter

The financial statements reflect the autonomy of the New SUEZ perimeter ("costs of doing business").

Services rendered to New SUEZ by SUEZ Groupe and SUEZ SA, companies acquired by Veolia, are invoiced *via* (i) management fees, (ii) know-how fees, (iii) brand fees and (iv) direct rebilling. These historical billings are maintained in the combined accounts as they reflect the costs of doing business.

Management has not identified any additional historical costs to be allocated to the New SUEZ scope according to this principle.

- **Shared support functions (management fees):** The support functions provided by SUEZ Group and SUEZ SA on behalf of the New SUEZ perimeter are invoiced *via* management fees. They have been maintained in the combined accounts at their historical amount of invoicing to New SUEZ. They represent approximately €51m in 2021 and €47m in 2020.
- **Royalties for know-how, brands and intellectual property to be acquired by the New SUEZ perimeter**: the use of brands and intellectual property is invoiced to the New SUEZ perimeter. Consequently, these assets have not been integrated into the combined accounts. They have been maintained in the combined accounts at their historical invoicing amount to New SUEZ. They represent approximately €74m in 2021 and €72m in 2020.

The revenue generated by New SUEZ from the Former SUEZ represents approximately €67.3m in 2021 while the current operating income (COI) generated by New SUEZ from the Former SUEZ amounts to approximately €0.8m in 2021.

Approach to the preparation of the accounts

The accounting principles and methods and the major assumptions used are those of the Former SUEZ Group. They are detailed in Notes 1.3, 1.4 and 1.5.

The combined financial statements have been prepared using the values of assets (including goodwill and fair value adjustments (in accordance with IFRS 3) relating to the relevant activities) and liabilities as reported in the SUEZ Group's IFRS Consolidated Financial Statements for each of the periods presented.

The assets and liabilities that are not intended to join the New SUEZ perimeter in application of the SAPA, even if they are included in the legal assets of the combined entities on December 31, 2021, have been excluded from the combined accounts. The impacts on the income statement related to these assets and liabilities have been excluded from the combined result for all periods presented.

Leases (IFRS 16) from the SUEZ Group to New SUEZ are recognised in the combined accounts.

The hedging instruments included in the combined accounts are those in place in the entities in the combined scope.

The pension liabilities and plan assets included in the combined accounts are those of all the entities in the combined scope.

In 2021 as in 2020, the cash and cash equivalents presented in the combined accounts are all those legally owned by the entities of the combined scope. In particular, they include cash pooling with non-combined entities of the SUEZ Group. The amounts and maturities of loans and borrowings at December 31, 2021 and December 31, 2020 correspond to all the contracts concluded by the entities in the New SUEZ scope.

The tax charge for 2021, like that for 2020, has been recognised on a standalone basis, entity by entity, including for the entities in the SUEZ Group's tax consolidation scope (see Note 1.5.15).

The results presented do not necessarily reflect what they would have been had the combined group existed as a legally separate group for the years presented.

Consideration of subsequent events

The combined statement of financial position of the New SUEZ has been prepared using the values of assets and liabilities as stated in the Consolidated Financial Statements of the Former SUEZ Group as at December 31, 2021. No significant subsequent events call this valuation into question.

1.3 Accounting Standards

Pursuant to European Commission Regulation (EC) No. 809/2004 of April 29, 2004 on information contained in prospectuses, the financial information concerning the assets, financial situation and results of New SUEZ is provided for the financial years 2020 and 2021 and is prepared in accordance with Regulation (EC) No. 1606/2002 ofJuly 19, 2002 on the application of international accounting standards (IFRS). As at December 31, 2021, the combined financial statements of New SUEZ comply with the IFRS published by the IASB and adopted by the European Union [4].

The accounting principles used for the preparation of the financial statements as atDecember 31, 2021 have been used in the same way as for the year 2020.

1.3.1 Standards, amendments and interpretations applied from January 1, 2021

The texts applied for the first time from 1er January 2021 are the following:

- Amendment to IFRS 16 – Leases, dealing with Covid-19 rent relief, the impact of which is not significant for New SUEZ;
- Amendments to IAS 39, IFRS 7 and IFRS 9 – Interest Rate Benchmark Reform phase 2, the impact of which is not significant for New SUEZ;
- IFRS IC decisions published during the year:
  - the IFRS IC issued a decision on May 24, 2021 on the timing of the recognition of normal service cost in defined benefit plans with all of the following characteristics:
    - entitlement to benefits is conditional on being in the company's employment at the time of retirement,
    - the amount of the benefits depends on length of service,
    - the amount of the benefit is capped, once the employee reaches a certain number of years of service.

  New SUEZ complied with the IFRIC decision in 2021. The decision led to a reduction in pension provisions of EUR 10 million recorded against equity,
  - on April 27, 2021, the IFRS IC published a decision on the accounting of configuration/adaptation costs in a Software as a Service (SaaS) contract. The decision clarifies the criteria for determining whether configuration/adaptation costs should be recognised in the statement of financial position as intangible assets, or as deferred expenses, or as expenses in the income statement. As atDecember 31, 2021, the Group is still analysing the application of this decision.

1.3.2 IFRS standards and amendments applicable after 2021 and not adopted early

Standards, amendments and interpretations published by the IASB and adopted by the EU

- Amendment to IAS37 – Onerous Contracts: Cost of Fulfilling a Contract;
- Amendment to IAS16 – Property, Plant and Equipment: Proceeds before Intended;
- IFRS17- Insurance contracts.

The analysis of the possible impacts of these amendments is ongoing.

Standards, amendments and interpretations published by the IASB and not yet adopted by the EU

- Amendment to IAS 8 – Definition of Accounting Estimates;
- IAS1 amendment and IFRS practice statement 2 (practical application guidance on materiality – disclosure of accounting policies);
- Amendments to IFRS 1 and IAS12 – Deferred tax on assets and liabilities arising from a single transaction;
- Amendment to IAS1 – Presentation of Financial Statements: Classification of Liabilities as Current/Non-current.

The analysis of the possible impacts of these amendments is ongoing.

1.4 Use of estimates and judgement

The economic and financial environment leads New SUEZ to maintain its procedures for monitoring risks on financial instruments and operating assets. This environment leading to significant market volatility is taken into consideration by New SUEZ in estimates such as *business plans* and the different discount rates used for both value tests and provision calculations.

1.4.1 Estimates

The preparation of the Combined Financial Statements requires the use of estimates and assumptions in the determination of the value of assets and liabilities, the measurement of positive and negative contingencies at the balance sheet date, and the income and expenses for the period.

Due to the uncertainties inherent in any valuation process, the Group revises its estimates on the basis of regularly updated information. It is possible that the future results of the operations concerned may differ from these estimates.

[4] Available on the European Commission's website http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_fr.htm.

The significant estimates made by New SUEZ for the preparation of the Combined Financial Statements relate mainly to:

- the measurement at fair value of assets acquired and liabilities assumed in a business combination (except for transactions relating to previously combined entities; see Note 2);
- the assessment of the recoverable amount of *goodwill*, property, plant and equipment and intangible assets (see Notes 1.4.1.2);
- the valuation of financial instruments (see Note 1.4.1.6);
- the valuation of provisions, in particular provisions for litigation and pension and similar commitments (see Notes 1.4.1.3 and 1.4.1.4);
- the assessment of turnover achieved and not recorded, known as “unmetered” (see Note 1.4.1.7);
- the valuation of margins at completion of construction contracts (see Note 1.4.1.7);
- the valuation of concession maintenance costs liabilities (see Note 1.4.1.5);
- the valuation of deferred tax assets on tax loss carry-forwards (see Note 1.4.1.9).

1.4.1.1 Fair value measurement of assets acquired and liabilities assumed in a business combination (except for transactions involving previously combined entities; see Note 2)

The main assumptions and estimates used to determine the fair value of the assets acquired and liabilities assumed include the market outlook necessary to value future cash flows and the discount rates to be applied. The values used reflect management’s best estimates.

1.4.1.2 Recoverable amount of goodwill, property, plant and equipment and intangible assets (see Notes 8, 9 and 10)

Assumptions and estimates are made in determining the recoverable amount of *goodwill*, intangible assets and property, plant and equipment, which relate in particular to the market outlook, necessary for the assessment of cash flows and the discount rate to be applied. Any change in these assumptions could have a significant effect on the amount of recoverable amount and could result in the recognition of impairment losses.

1.4.1.3 Estimated provisions (see Note 16)

The parameters that have a significant influence on the amount of the provisions are, in addition to the level of the costs themselves, the timing of their occurrence and the discount rate applied to the cash flows. These parameters are established on the basis of the information and estimates that the Company considers to be the most appropriate at this time.

To the best of the Group’s knowledge, there is currently no evidence to suggest that the parameters used as a whole are not appropriate and there are no known developments that would significantly affect the amounts provided for.

1.4.1.4 Pension liabilities (see Note 17)

The valuation of pension commitments is based on actuarial calculations. New SUEZ believes that the assumptions used to value the commitments are appropriate and justified. However, any change in assumptions could have a significant impact.

1.4.1.5 Concession maintenance costs liabilities (see Note 4.1.3)

This item includes the obligation to renew and restore the facilities by the concession companies. The basis for calculating these liabilities is an estimate of the cost of replacing or refurbishing the facilities within the concession’s scope (in accordance with IFRIC 12), discounted each year by inflation. Expenses are calculated on a contract-by-contract basis by allocating probable renewal and refurbishment expenditure over the life of the contract.

1.4.1.6 Financial instruments (see Note 14)

In order to measure at fair value the financial instruments that are not listed on a market, New SUEZ has to use valuation models that are based on a number of assumptions, changes in which could have a significant impact.

1.4.1.7 Unmetered water revenue (see Notes 3.2 and 4.1.1)

The revenue generated by customer segments for which meters are read during the accounting period is estimated at the end of the year on the basis of historical data, consumption statistics and sales price estimates. New SUEZ has developed measurement and modelling tools that enable it to estimate revenue with a satisfactory degree of reliability and to verify a posteriori that the risks of error in estimating the quantities sold and the corresponding revenue can be considered insignificant. This so-called “unmetered” revenue estimate mainly concerns the Water operating segment.

1.4.1.8 Measurement of the margin at completion of construction contracts (see Note 4.1.3)

The determination of the margin at completion of construction contracts involves the use of significant estimates that depend on the technical solutions chosen, the duration of the project and the uncertainties inherent in its progress.

Management updates these estimates for the preparation of the combined financial statements on a quarterly basis or more frequently in the event of major changes in the progress of the project. Any significant change in the measurement of expenses and revenues at completion results in an immediate adjustment to the margin already recognised and modifies the future margin on work remaining to be completed (see Note 1.5.11.3).

1.4.1.9 Valuation of deferred tax assets on tax losses carried forward (see Note 7)

Deferred tax assets are recognised for tax loss carryforwards when it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The likelihood of future taxable profits is estimated by considering the existence of taxable temporary differences arising in the same tax entity and reversing over the same periods to the same tax authority, and estimates of future taxable profits. These forecasts of taxable profits and the resulting consumption of tax loss carry-forwards are based on profit forecasts as prepared within the framework of the medium-term plan and on additional forecasts where necessary.

Tax loss carryforwards that originated in New SUEZ entities but that belongs to non-combined entities due to the tax consolidation agreements in force in 2020 and 2021 do not give rise to the recognition of deferred tax assets in the combined accounts as they do not constitute assets of New SUEZ (see also Note 1.5.15).

1.4.2 Judgement

In addition to the use of estimates, management has made judgements in determining the appropriate accounting treatment for certain activities and transactions, particularly where the existing IFRS standards and interpretations do not specifically address the accounting issues concerned.

In particular, New SUEZ has exercised its judgment to:

- accounting for 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 balance sheet date;
- the groupings of activities and entities to be used for the presentation of operating segments in relation to their economic characteristics.

In accordance with IAS 1, New SUEZ presents current and non-current assets and current and non-current liabilities separately in the statements of financial position. In view of the majority of the Group's activities, it was considered that the criterion to be used for classification is the time period for realisation of the asset or settlement of the liability: current if this period is less than 12 months and non-current if it is more than 12 months.

1.5 Accounting policies

1.5.1 Scope and methods of integration

The integration methods (full integration, equity accounting) and the percentages of ownership and interest are identical to those used by Former SUEZ in its accounts at 31 December 2021:

- companies exclusively controlled by Former are fully integrated;
- Joint activities over which joint control is exercised at the Former SUEZ Group level are combined in proportion to the direct rights over the assets and direct obligations over the liabilities;
- the equity method applies to:
  - joint ventures over which Former SUEZ has joint control but only a right to the net assets,
  - associates in which Former UEZ has a significant influence. Under this method, a specific line in the combined income statement entitled "Share in the result of associated companies" includes the share of the net result of the company combined by the equity method. The accounting principles applied by these companies are in accordance with IFRS and consistent with the accounting principles of New SUEZ.

The integration method is determined on a case-by-case basis and is based on an analysis of control, after taking into account the presumptions specified in IFRS 10, 11 and IAS 28 revised.

All intercompany transactions and positions are eliminated in the combined financial statements, according to the procedures specific to each integration method.

The scope of combination used for the preparation of these New SUEZ combined accounts is that presented in Appendix G- 1 of the Share and Asset Purchase Agreement (SAPA) signed between SUEZ, Veolia and the Consortium.

1.5.2 Conversion methods

1.5.2.1 Currency of presentation of the combined accounts

The combined financial statements of the Group are presented in euro (€).

1.5.2.2 Functional currency

The functional currency of an entity is the currency of the economic environment in which the entity principally operates. In the majority of cases, the functional currency is the local currency. However, in some entities, a functional currency other than the local currency may be used as long as it reflects the currency of the entity's primary transactions and economic environment.

1.5.2.3 Translation of foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the rate of the day of the transaction. At each balance sheet date:

- monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. The resulting exchange differences are recognised in the result for the period;
- non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical rate prevailing at the date of the transaction.

1.5.2.4 Translation of financial statements of combined companies with a functional currency other than the euro

The statements of financial position are translated into euro at the year-end exchange rate. Income and cash flows are translated using the average exchange rates. Differences resulting from the translation of the financial statements of these combined companies are recorded as "translation differences" within "Other comprehensive income".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. They are therefore expressed in the functional currency of the entity and translated at the closing rate.

1.5.3 Business combinations

New SUEZ applies the acquisition method as described in IFRS 3 revised. Under this method, it recognises the identifiable assets acquired and liabilities assumed at the date of acquisition at their fair value, together with any non-controlling interests in the acquiree. These non-controlling interests are measured either at fair value or at the proportionate share in the identifiable net assets. New SUEZ determines on a case-by-case basis which option it wishes to apply to account for these non-controlling interests.

1.5.4 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any impairment losses.

1.5.4.1 Goodwills

a) Definition of Cash Generating Units (CGUs and CGU gooodwill)

The allocation of goodwill to the CGUs corresponds to the allocation made by Former SUEZ for the purposes of its 2020 and 2021 consolidated accounts. Note 8.2 specifies the valuation of the CGU goodwill.

The two main goodwill CGUs are as follows:

- Water France;
- Recycling and Recovery France.

The other CGUs have goodwill of less than EUR 100 million per CGU.

All goodwills have been tested in 2020 and 2021.

b) Determination of *goodwill*

In accordance with IFRS 3, *goodwill is* measured as the excess of the total:

i. of the transferred consideration;

ii. the amount of any non-controlling interest in the acquiree; and

iii. in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree;

to the net carrying amount of the identifiable assets acquired and liabilities assumed.

The amount of *goodwill* recognised on acquisition of control cannot be adjusted after the end of the measurement period.

Goodwill relating to investments in associates and joint ventures is included in “Investments in associates” and “Investments in joint ventures” respectively.

c) Valuation of *goodwill*

Goodwill is not amortised but is tested for impairment annually or more frequently if there are indications of impairment. *Goodwill* is tested at the level of Cash Generating Units (CGUs) which are homogeneous groups of assets that together generate cash flows that are largely independent of the cash flows generated by other CGUs.

The methods used to perform these impairment tests are presented in Note 1.5.6 “Impairment of property, plant and equipment, intangible assets and *goodwill*”.

Impairment losses relating to *goodwill* are not reversible and are presented on the line “Impairment of assets” in the income statement.

Impairment losses on *goodwill* relating to associates and joint ventures are reported under “share of net income of associates” and “share of net income of joint ventures” respectively.

1.5.4.2 Other intangible assets

a) Development costs

Research costs are expensed in the year in which they are incurred.

Development costs are recognised as assets when the criteria for recognition of an asset as set out in IAS 38 are met. In this case, the intangible asset arising from the development is amortised over its useful life. Given the Group’s activities, the amounts recognised as development costs in the assets in the statements of financial position are not material.

b) Other intangible assets acquired or produced

Other intangible assets include:

- sums paid or to be paid in return for rights attached to the status of concessionaire or operator of public facilities;
- customer portfolios acquired in business combinations;
- surface and groundwater drawing rights, which are not amortised, as there is no time limit on their allocation;
- concession assets;
- exclusive rights to distribute drinking water in a defined geographical area without time limitation;
- software.

Amortisation of intangible assets is recognised on the basis of the expected pattern of consumption of the future economic benefits of the asset. If this cannot be reliably determined, the straight-line method is used, based on 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

Certain intangible assets (water rights, etc.), which have an indefinite useful life, are not amortised but are subject to an annual impairment test.

1.5.5 Property, plant and equipment

1.5.5.1 Property, plant and equipment – initial and subsequent valuation

Property, plant and equipment are stated at historical cost of acquisition, production or entry into the Group, less accumulated depreciation and any impairment losses.

The book value of tangible fixed assets is not subject to revaluation, as New SUEZ has not chosen the alternative method of regularly revaluing one or more categories of tangible fixed assets.

Investment grants are deducted from the gross value of the assets for which they were received.

In application of IAS 16, the cost of the asset includes, at the time of its initial recognition, the costs of restoring the site when there is a current legal or constructive obligation to restore the site at the date of entry. A provision is then recognised against a component of the “asset”.

New SUEZ applies IAS 23, which consists of incorporating into the cost of the corresponding asset the borrowing costs incurred during the construction period of the qualifying asset.

1.5.5.2 Amortization

In application of the component approach, New SUEZ uses different depreciation periods for each of the significant components of the same fixed asset when one of these components has a useful life different from the main asset to which it relates.

Depreciation is calculated on a straight-line basis over normal useful lives.

The range of depreciation periods is the result of the diversity of the assets concerned and the contractual terms. The minimum periods concern small equipment and furniture, while the maximum periods apply to infrastructure networks.

The normal useful lives are as follows:

Main depreciation periods *(in years)*

Constructions [a]	3 to 40 years
Plan and equipment	2 to 70 years
Transport equipment	3 to 14 years

(a) Including fittings.

Assets recognised against provisions for site restoration are depreciated according to the method specified in Note 16.4.

1.5.6 Impairment of property, plant and equipment, intangible assets and *goodwill*

In accordance with IAS 36, when events or changes in the market environment or internal factors indicate a risk of impairment of intangible assets, property, plant and equipment and *goodwill*, they are tested for impairment. In the case of non-amortisable intangible assets and *goodwill, impairment* tests are performed annually.

Impairment indicators

For property, plant and equipment and intangible assets with a finite useful life, this impairment test is only performed when there are indications that their value has been impaired. This is generally due to significant changes in the operating environment of the assets or to a lower than expected economic performance.

The main indicators of impairment retained by New SUEZ are:

- external source of information:
  - significant changes in the economic, technological, political or market environment in which the business operates or to which the asset is assigned,
  - lower demand;
- internal source of information:
  - obsolescence or material deterioration not foreseen in the depreciation plan,
  - performance below expectations.

Loss of value

Such property, plant and equipment or intangible assets are tested at the level of the relevant asset grouping (single asset or Cash Generating Unit) determined in accordance with the requirements of IAS 36. If the recoverable amount is less than the net book value, an impairment loss is recognised for the difference between these two amounts. The recognition of an impairment loss results in a revision of the depreciable base and possibly the depreciation schedule of the assets concerned.

Impairment losses in respect of property, plant and equipment or intangible assets may be reversed in the future if the recoverable amount becomes higher than the net book value. The value of the asset after reversal of the impairment loss is capped at the carrying amount that would have been determined net of depreciation if no impairment loss had been recognised in prior years.

Assessment of the recoverable amount

In order to examine the recoverable amount of property, plant and equipment, intangible assets and *goodwill*, these are, where appropriate, grouped into Cash Generating Units (CGUs) whose carrying amounts can be compared with their recoverable amounts.

For operating entities for which New SUEZ is a going concern and a long-term holding, the recoverable amount of a CGU corresponds to the higher of its value in use and fair value less costs to sell. Values in use are determined primarily on the basis of discounted operating cash flow projections and a terminal value. Standard valuation methods are used for which the main economic data used are:

- discount rates that depend on the particularities of the operating entities concerned;
- terminal values consistent with available market data specific to the operating segments concerned and growth rates linked to terminal values.

These discount rates are post-tax rates applied to post-tax cash flows. Their use results in the determination of recoverable amounts identical to those obtained by using pre-tax rates on untaxed cash flows, as required by IAS 36.

Assets for which a decision has been made to sell (within the meaning of IFRS 5) are measured and recognised at the lower of their carrying amount and their market value less costs to sell. Where negotiations are in progress, the latter is determined by reference to the best estimate that can be made, at the balance sheet date, of their outcome.

If there is an impairment loss, it is recognised in the income statement under “Impairment of assets”.

1.5.7 Leases signed as lessee

The rental contracts signed by New SUEZ as lessee mainly concern real estate, vehicles and construction equipment. The duration of the contracts varies greatly depending on the nature of the leased goods.

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.

The lease liability is equal to the present value of future lease payments.

Rents included in the calculation of the debt include fixed rents, rents that are fixed in substance i.e. unavoidable, variable rents whose variability is only due to the effect of an index or a rate, the exercise price of a purchase option if New SUEZ is reasonably certain that it will exercise this option, or early termination penalties if the accounting lease term takes this event into account.

New SUEZ also pays variable rents, which vary according to the degree of use of the leased assets. These variable rents are recognised as operating expenses in the period in which the event or condition that triggers the obligation occurs. The total amount for the year 2021 is disclosed in Note 14.

IFRS 16 recommends discounting future lease payments using the interest rate implicit in the contract if this rate can be readily determined, or failing that, using the incremental debt rate of the entity holding the relevant leases.

As the interest rates implicit in the contracts are not easily determined, New SUEZ has therefore used the marginal debt rates of the various entities carrying the leases to calculate the Group’s lease debt. The interest rates determined in this way are those for amortised debt.

After the contracts come into effect, the lease liabilities are increased by the financial interests and decreased by the amounts of rent paid.

The carrying amounts of the liabilities are re-estimated whenever an amendment to a lease agreement or a significant change in facts and circumstances at the lessee’s control leads to a change:

- the accounting period of the lease;
- the number or nature of the leased goods;
- of the amount of the rent;
- the valuation of the exercise of an option to purchase the leased property.

New SUEZ recognises the rights of use at their initial cost, at the effective date of the lease agreements.

The initial cost of the rights of use includes mainly the amount of the lease liability, the initial incremental direct costs that have been incurred to obtain the contracts and the prepaid rents. It is reduced by the benefits received from lessors at the inception of the contracts.

After the effective date, the rights of use are amortised on a straight-line basis over the accounting period of the contracts. As an exception, a right of use is depreciated over the useful life of the leased asset, when New SUEZ has reasonable certainty of exercising a purchase option on that asset.

The carrying amount of the rights of use is adjusted when a re-estimation of the lease liability is made.

Rights of use are impaired when there is an indicator of impairment at the limits of their Cash Generating Unit, using the same criteria as for other depreciable fixed assets.

Judgement exercised in determining the accounting term of leases

The lease term under IFRS 16 is the non-cancellable lease term plus:

- the extension period of the contract, if the contract includes an extension option in the hands of the lessee and the lessee has reasonable certainty of exercising it;
- the period during which the lessee may exercise an option to terminate the contract, if the lessee is reasonably certain not to exercise that option.

New SUEZ has the right to exercise options to extend or terminate certain lease agreements signed as lessee. New SUEZ uses its judgement to determine whether it has strong economic incentives to exercise them.

After the commencement of a lease agreement, New SUEZ shall re-evaluate its accounting period if a significant change in circumstances occurs and the change in circumstances:

- is in his hand;
- and leads New SUEZ to have a reasonable certainty of exercising an option that had not been taken into account at the time of the initial determination of the lease term; or that leads New SUEZ to no longer have a reasonable certainty of exercising an option that had initially been taken into account.

The enforceable period of a contract ends when the tenant and the landlord each have the right to terminate the tenancy agreement without the permission of the other party, and without incurring a more than negligible penalty.

As specified by the IFRIC, the penalties to be taken into account in determining the term of a lease include economic penalties, in particular the net book value of fixtures and fittings that are inseparable from the leased assets, which New SUEZ has paid for, and which it would lose if it terminated the lease in question. New SUEZ therefore includes the existence of fixtures and fittings that are not fully depreciated and would have to be abandoned in the event of termination of the lease in the assessment of the lease term.

The retroactive application of the IFRIC decision did not have a significant impact on the combined accounts of New SUEZ.

1.5.8 Stocks

Inventories mainly consist of recyclable materials awaiting processing or shipment, treatment products used in the water production and treatment cycle, and parts and consumables required for the maintenance of water networks and waste treatment assets.

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the expected costs of completion or realisation of the sale.

The cost of inventories is determined using either the first-in, first-out method or the weighted average cost method.

1.5.9 Financial instruments

Financial instruments are recognised and measured in accordance with IFRS 9.

1.5.9.1 Classification, measurement and impairment of financial assets

The financial assets are mainly cash, or rights to receive cash, or equity instruments of other entities.

They are listed as follows:

- assets whose cash flows are not interest and principal repayments (equity interests in non-integrated entities, derivative instruments);
- assets whose cash flows are interest and principal repayments (mainly loans and receivables);
- cash and cash equivalents.

Financial assets are broken down in the statements of financial position into non-current and current assets.

a) Investments in non-integrated entities

New SUEZ's holdings in non-combined companies are classified as:

- either in the category of equity instruments measured at fair value through profit or loss. This category essentially comprises listed securities held in companies in which New SUEZ does not have significant influence;
- or in the category of Equity instruments measured at fair value through Other comprehensive income, following the irrevocable option taken by New SUEZ, security by security, and from the first recognition. Essentially, this category includes unlisted securities held in companies in which New SUEZ does not have significant influence.

In accordance with IFRS 9, equity instruments are recognised:

- at original cost plus transaction costs when measured at fair value through Other comprehensive income;
- at their initial cost when they are measured at fair value through profit or loss. Transaction costs are then recognised in the income statement at the date of acquisition.

At each balance sheet date, investments in non-integrated companies are measured and recognised at fair value. For shares in listed companies, this fair value is determined on the basis of the stock market price at the relevant balance sheet date. For unlisted companies, fair value is estimated using valuation models based mainly on recent market transactions, discounted dividends or cash flows, or failing that, on the net book value.

In accordance with the terms of IFRS 9:

- all impacts related to securities measured at fair value through profit or loss that have been generated after their acquisition date are recognised in the income statement: dividends, positive or negative differences between fair value and acquisition price throughout the holding of the securities, gains or losses on disposals in particular;
- impacts related to securities measured at fair value through Other comprehensive income are never recycled in the income statement. Positive or negative differences between fair values and acquisition prices are recognised in Other comprehensive income throughout the holding period. Gains and losses on disposals are classified as Other comprehensive income, and the total accumulated Other comprehensive income relating to the line of securities disposed of is reclassified to the Group's net contribution. Only dividends received impact the Group's result;
- there is no recognition of impairment of New SUEZ's holdings in non-integrated companies.

b) Derivative instruments

Derivatives are measured and recognised at fair value, with changes in fair value recognised in the income statement, except where derivatives are used as cash flow or net investment hedges (see Note 1.5.9.3).

c) Loans and receivables at amortised cost

The category mainly includes receivables and loans related to equity investments, current account advances to associated or non-combined entities, guarantee deposits, long-term receivables from customers under concession agreements (see section 1.5.11.4) and trade and other receivables due within one year.

On initial recognition, these loans and receivables are carried at fair value plus transaction costs, which in most cases is their nominal value. Subsequently, at each balance sheet date, these assets are measured at amortised cost using the effective interest rate method.

In accordance with the terms of IFRS 9, the New SUEZ entities have established an impairment approach by asset type for counterparty risk.

For trade and rental receivables, they have drawn up risk matrices for non-recovery by homogeneous category of customer, adapted to their local realities, with regard to the rates of non-payment 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 the light of unforeseeable events with major consequences (in 2020, the effect of the Covid-19 pandemic). They use these matrices to calculate impairments now based on expected non payment rates for each of the homogeneous customer categories.

For loans to associates, current account advances to associates and deposits and guarantees, impairment losses are calculated based on the expected losses on the individual assets.

These assets are classified into three categories:

- situation 1: Assets with no significant deterioration in credit risk, where debtors pay on time or are less than 60 days late;
- situation 2: Assets with significant credit risk deterioration, where overdues at between 60 days and 180 days late;
- situation 3: Assets for which deterioration is such that loss is proven, with overdues excedding 180 days.

Assets classified as situation 1 are subject to impairment for expected losses over a 12-month period. Assets classified as situation 2 and 3 are subject to impairment for expected losses over their entire life. The amount of the impairment is calculated based on:

- the probability of default by the debtor;
- the estimated loss rate if the counterparty defaults, applied to the total value of the asset.

Impairment losses on loans to associates, current account advances to associates and deposits and guarantees are calculated based on the expected losses on the individual assets.

Receivables arising under concession agreements, where New SUEZ 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. As permitted by IFRS 9, the impairment method used for the calculation of impairment losses on loans and advances in current accounts as described above is applied to these receivables.

The gross values of the receivables are transferred to losses on bad debts in the income statement, when the remedies available to New SUEZ to recover these assets are exhausted. The accumulated depreciation on the receivables concerned is then also reversed to the income statement.

Contract assets with customers include amounts due from customers under construction contracts, the calculation of which is specified in Note 1.5.11.3. These assets are tested for impairment in accordance with the same rules as trade receivables.

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments that are considered liquid, convertible to a known amount of cash, subject to an insignificant risk of change in value in accordance with the criteria set out in IAS 7 and held for the purpose of meeting short-term cash commitments.

Bank overdrafts are excluded from the concept of cash and cash equivalents and are recognised as current financial liabilities in the statement of financial position.

1.5.9.2 Classification and measurement of financial liabilities

Financial liabilities include financial debts (including bank overdrafts), trade payables, derivative financial instruments and other financial liabilities.

Financial liabilities are broken down in the statements of financial position into non-current and current liabilities. Current financial liabilities mainly include:

- financial liabilities maturing within 12 months of the balance sheet date;
- derivative financial instruments qualifying as hedges;
- derivative financial instruments not qualifying as hedges.

Borrowings and other financial liabilities are measured using the amortised cost method using the effective interest rate.

On initial recognition, issue premiums/discounts, redemption premiums/discounts and issuance costs are recognised as an increase or decrease in the nominal value of the loans concerned. These premiums and discounts are taken into account in the calculation of the effective interest rate and are then recognised in the income statement over the life of the borrowings using the amortized cost method.

New SUEZ treats restructurings of financial debts that are not between identical lenders and borrowers as an extinguishment of the original debt and a recognition of the new debt.

Similarly, a renegotiated debt whose value of future cash flows under the new terms (including fees paid to the counterparty bank, discounted using the original effective interest rate) differs by more than 10 per cent from the present value of the remaining cash flows of the original financial liability, is accounted for as a new debt, because the contractual change is material within the meaning of IFRS 9. The original liability is then considered extinguished and removed from the statement of financial position. On this occasion, all costs related to the old debt that have not yet been amortised are transferred to the income statement.

When the change is not material within the meaning of IFRS 9, the initial debt remains recognised in the statement of financial position, including the related costs not yet amortised. However, the application of the standard leads New SUEZ to revalue the carrying amount of this debt, to take into account the new future cash flows expected over its residual term. The effect of the revaluation is recognised in the income statement.

1.5.9.3 Derivatives and hedge accounting

New SUEZ uses derivative financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, exchange rates and commodity prices. The use of derivatives is carried out within the framework of a Group policy for managing interest rate, exchange rate and commodity price risks.

a) Definition and scope of derivative financial instruments

Derivative financial instruments are contracts whose value is affected by changes in one or more observable parameters, which do not require a significant initial investment and which provide for settlement at a future date.

Derivative financial instruments include swaps, forward purchases and forward sales.

b) Accounting and presentation of hedging derivatives

Derivative financial instruments that qualify as hedging instruments are systematically recognised in the statements of financial position at their fair value. However, their accounting treatment varies depending on whether they are qualified as:

- fair value hedge of an asset or liability;
- cash flow hedging;
- hedge of a net investment in a foreign entity.

Fair value hedge

A fair value hedge hedges the risk arising from changes in the fair value of assets or liabilities, such as fixed rate loans and borrowings, or firm foreign currency assets, liabilities or commitments.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. Symmetrically, the hedged item is remeasured for the hedged risk through profit or loss for the period even if the hedged item is normally in a category in which changes in fair value are recognised in Other comprehensive income or if it is normally carried at amortised cost in the absence of a hedge. These two remeasurements offset each other in the income statement, except for the ineffective portion of the hedge.

Cash flow hedging

It is the hedging of an exposure arising from the risk of future changes in one or more cash flows affecting the combined result. The cash flows hedged may arise from contracts on financial or non-financial assets already reflected in the statements of financial position or from future transactions not yet reflected in the statements of financial position, provided that these future flows are highly probable.

Changes in the fair value of the derivative financial instrument are recognised net of tax in Other comprehensive income for the effective portion and in profit or loss for the period for the ineffective portion. Gains or losses accumulated in equity must be reclassified to profit or loss when the cash flows relating to the hedged item (financial asset or liability) themselves affect the income statement. These gains or losses on hedging instruments must be transferred to the same line in the income statement as the impacts related to the hedged item, i.e. current operating income for operating flow hedges and financial income for other hedges.

If the hedging relationship is terminated, in particular because it is no longer considered effective, the gains or losses accumulated in respect of the derivative instrument are maintained in equity until the hedged transaction matures, unless the entity expects that the forecast transaction will not occur, in which case the gains and losses recognised in equity are reclassified immediately to the income statement.

Hedge of a net investment in a foreign entity

Similar to cash flow hedging, changes in the fair value of the derivative financial instrument are recognised net of tax in Other comprehensive income for the effective portion attributable to the hedged foreign currency risk and in profit or loss for the ineffective portion. Gains or losses accumulated in equity are reversed through profit or loss at the date of liquidation or disposal of the net investment.

c) Identification and documentation of hedging relationships

New SUEZ 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 external to the Group are considered eligible for hedge accounting.

This methodology is consistent with the terms of IFRS 9.

New SUEZ demonstrates and documents the effectiveness of the hedging relationship from the outset and on an ongoing basis throughout the financial years for which the hedge has been designated.

In accordance with IFRS 9, hedges are considered effective when:

- there is an economic link between the hedged item and the hedging item; this link exists when the characteristics of the hedging instrument (notably the notional amount and maturity date) are highly correlated with those of the hedged item and/or when the change in value of the hedging instrument is itself highly correlated with the change in value of the hedged item;
- the hedge ratio is consistent with the risk management strategy of the company carrying the hedged item;
- the value of the hedging instrument is virtually uncorrelated with the credit risk of the debtor.

The effectiveness of hedges is demonstrated prospectively and retrospectively. It is established by using different methodologies, mainly based on the comparison between changes in fair value or cash flows of the hedged item and the hedging instrument. New SUEZ also uses methods based on statistical correlation analysis between historical prices.

d) Accounting and presentation of non-hedging derivatives

This includes derivative financial instruments that are economic hedges but have not been or are no longer documented in accounting hedging relationships.

When a derivative financial instrument has not been (or is no longer) qualified as a hedge, its successive changes in fair value are recognised directly in profit or loss for the period, within a specific *Mark-to-Market* or "MtM on financial instruments of an operational nature" heading under current operating income for derivatives on non-financial assets and in financial income or loss for foreign exchange, interest rate or equity derivatives.

Derivative financial instruments that do not qualify as hedges are presented in the statement of financial position as current for derivatives with a maturity of less than 12 months and as non-current for others.

e) Fair value measurement

The fair value of instruments quoted in an active market is determined by reference to their quoted price. In this case, these instruments are presented in Level 1 fair value measurement.

The fair value of unlisted financial instruments for which observable market data exists is determined using, among other things, the discounted cash flow method. Counterparty risk is taken into account in the valuation of derivative instruments.

The models used to value these instruments use assumptions based on market data in accordance with IFRS 13:

- the fair value of interest rate swaps is calculated on the basis of discounted future cash flows;
- the fair value of forward foreign exchange contracts and currency swaps is calculated by reference to current prices for contracts with similar maturity profiles by discounting the difference in future cash flows (the difference between the forward price of the contract and the forward price recalculated according to the new market conditions applied to the notional amount);
- commodity derivative contracts are valued according to market quotations based on discounted future cash flows (firm contracts: *commodity swap* or *commodity forward*), and option pricing models (option contracts) for which it may be necessary to observe the volatility of market prices. For contracts with maturities exceeding the depth of transactions for which prices are observable or which are particularly complex, valuations may be based on internal assumptions;
- in the case of complex contracts negotiated with independent financial institutions, New SUEZ exceptionally uses valuations made by the counterparties.

These instruments are presented in Level 2 fair value measurement, except where their measurement is significantly dependent on unobservable inputs. In the latter case, they are presented in level 3 fair value measurement. These are most often derivative financial instruments whose maturity exceeds the observability horizon of the forward prices of the underlying asset of liability or for which certain parameters such as the volatility of the underlying were not observable.

1.5.10 Provisions

1.5.10.1 Provisions for post-employment and other long-term employee benefits

Depending on the laws and practices of each country, New SUEZ companies have obligations in terms of retirement, early retirement, severance pay and other similar benefits. These obligations generally exist for all employees of the companies concerned.

The measurement and accounting methods used by New SUEZ for pension and other employee benefit obligations are those set out in IAS 19 Revised. As a result:

- the cost of defined contribution plans is recognized in the income statement on the basis of contributions payable for the period;
- the valuation of the amount of pension and similar commitments, when they represent defined benefits, is carried out on the basis of actuarial valuations. These calculations include assumptions on mortality, staff turnover and salary projections that take into account the economic conditions specific to each country or company. Discount rates are determined by reference to the yield, at the valuation date, on bonds issued by senior companies (or by the government if there is no representative market for private debt) in the area concerned. A discount rate curve has been selected by currency area and applied to the debt and to the components of the current expense (*Service Cost* and *Net Interest*).

The IFRS IC issued a decision on 24 May 2021 on the timing of normal service cost recognition in defined benefit plans with all of the following characteristics:

- the definitive acquisition of the benefits is conditional on the presence in the company at the time of retirement;
- the amount of benefits depends on seniority;
- the amount of the benefit is capped once the employee reaches a certain number of years of service.

New SUEZ has complied with the IFRIC decision in 2021.

The decision has been applied retroactively as a change in accounting policy under the terms of IAS8.

Amounts relating to plans where the obligation less unrecognised past service costs exceeds the fair value of the plan assets are included in liabilities under provisions. When the value of the planned assets (capped, if applicable) exceeds the obligations, the net amount is presented on the assets side of the statements of financial position under current or non-current “Other assets”.

For post-employment benefits, New SUEZ recognises actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments directly in Other comprehensive income. Where applicable, adjustments arising from the capping of net assets relating to overfunded plans follow the same method.

For other long-term benefits such as long-service awards, actuarial gains and losses continue to be recognised immediately in the income statement.

The net interest cost (income) in respect of defined benefit plans is recognised in the financial result.

1.5.10.2 Other provisions

New SUEZ recognises a provision when there is a present obligation (legal or constructive) to a third party as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation without any expected consideration.

A provision for restructuring is recognised when the general criteria for establishing a provision are met, there is a detailed formal plan and New SUEZ has created a valid expectation among those affected that it will implement the restructuring either by starting to execute the plan or by announcing its main features to them.

Provisions with a maturity of more than 12 months are discounted when the effect of discounting is significant. The main types of long-term provisions, excluding provisions for post-employment benefits, are provisions for site restoration (Recycling and Recovery business). The discount rates used reflect current market assessments of the time value of money and the risks specific to the liability concerned. Expenses corresponding to the unwinding of the discount on long-term provisions are recognised in the financial result (under “other financial income and expenses”).

Whenever there is a current legal or constructive obligation to restore a site, New SUEZ records a provision for site restoration. The counterpart of the provision for reconstitution is included in the book value of the asset concerned. Adjustments to the amount of the provision resulting from a subsequent revision of the amount of the resource outflow, the date of occurrence of the restoration or the discount rate are symmetrically deducted from or added to the cost of the corresponding asset. The effects of the unwinding of discounting are recognised in profit or loss for the year.

1.5.11 Turnover

Revenue corresponds to income from contracts signed with customers. It is calculated and recognised in accordance with the principles of IFRS 15.

New SUEZ determines the performance obligations included in the contracts signed with its customers. Most contracts include only one performance obligation.

Where a contract includes both a construction activity and a facility operation activity, two performance obligations are distinguished. The overall contract revenue is then split between construction and operation activities in accordance with IFRS 15.

New SUEZ only recognises the variable part of turnover, depending on the degree of achievement of contractual targets (bonuses or penalties), if it is highly unlikely that there will be a significant downward adjustment in future accounting periods.

New SUEZ recognises its revenue when control of the goods or services promised to the customer is transferred, which occurs either on delivery (i.e. when control is transferred to the buyer) or on an ongoing basis (services and construction activity recognised on a percentage of completion basis), often under long-term contracts.

It only records the turnover of his co-contractors as the main actor if he:

- bears primary responsibility for the conduct and completion of the overall service;
- carries out a major task of integrating the various works carried out by the co-contractors;
- and carries out extensive technical supervision work so that it takes control of all the goods or services performed, before transferring that control to the client.

Turnover includes revenues from the following businesses:

- Water;
- Recycling and Recovery;
- Engineering contracts, construction contracts and services.

1.5.11.1 Water

Revenue is recognised on the basis of volumes delivered to the customer in the water supply business, whether these volumes have been specifically billed ("metered") or estimated on the basis of the performance of the supply networks. As permitted by IFRS 15 and for simplification purposes, revenue corresponds to volumes delivered multiplied by a tariff per m³ (see Note 1.4.1.7).

For sanitation or effluent treatment, the price of the service is either included in the water supply bill or is billed specifically to the local authority or industrial customer.

The revenue recognition rules for concession contracts are detailed in Note 1.5.11.4.

1.5.11.2 Recycling and Recovery

Turnover is recognised:

- according to the tonnages collected and the service provided by New SUEZ, in the waste collection activity;
- according to the volumes of waste treated and the related income from waste recovery, in incineration (sale of heat and electricity in particular) and sorting (sale of raw materials – paper, cardboard, glass, metals, plastics).

As allowed under IFRS 15 and for simplification purposes, revenue is calculated as the tonnage of waste processed multiplied by a price per tonne.

The revenue recognition rules for concession contracts are detailed in Note 1.5.11.4.

1.5.11.3 Engineering contracts, construction contracts and service contracts

Revenue is recognised, based on the stage of completion of costs, in the engineering, construction and equipment sales activities.

When it is likely that the total unavoidable direct costs of the contract will exceed the total expected economic benefits to be received from the contract, New SUEZ immediately recognises a loss on completion as an expense for the period. Possible losses on completion are calculated at the contract level by applying IAS 37 and not for each service obligation.

Partial payments received on these so-called construction contracts, before the related work has been performed, are recognised as advances and deposits received within contract liabilities (see also Note 1.5.13).

The positive difference between the cumulative amount of recognised revenue and progress billings is recorded as "amounts due from customers on construction contracts" within contract assets (see Note 1.5.13). If negative, this difference is recognised in "amounts due to customers on construction contracts" within contract liabilities.

1.5.11.4 Concession contracts

A significant portion of the activities in the Water and Recycling & Recovery businesses are carried out under concession contracts, in particular to operate drinking water production and distribution, wastewater treatment and waste incineration facilities.

SIC 29 – Service Concession Arrangements – Disclosures deals with the disclosures to be made in the notes to the financial statements regarding concession arrangements.

IFRIC 12 is the interpretation that specifies the common features of concession agreements:

- the concession grantor, usually a public authority, is obliged to provide a public service which it delegates to New SUEZ acting as the concessionaire (decisive criterion);
- the concessionaire New SUEZ is responsible for the management of the associated infrastructure and the provision of the public service itself, not just an agent acting on orders;
- the concessionaire New SUEZ has more or less extensive obligations to expand or improve the existing infrastructure, and in any case an obligation to maintain this infrastructure in good condition;
- the price and the conditions (regulation) of price revision are fixed at the origin of the contract.

For a concession arrangement 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 achieved 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 by the infrastructure under concession and determines to whom and at what price they are to be provided; and
- the grantor controls any residual interest in the infrastructure at the end of the contract. This control is most often reflected in the grantor's right to take over the infrastructure at the end of the contract.

IFRIC 12 applies in the context of IFRS 15. Concession contracts usually include two performance obligations: construction and operation:

- construction services include the creation of new infrastructure, the extension or improvement of existing infrastructure, financed by the concessionaire, and which allow future economic benefits to be created. Revenue from construction services is recognised in all cases 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 built. The accounting counterpart of the revenue is a contract asset (see Note 1.6.15), as long as construction is in progress. At the date of commissioning, the contract asset is reclassified, depending on how New SUEZ is remunerated for the service.

  Thus:

  - the asset becomes a receivable, and therefore a financial asset, when the concessionaire obtains the unconditional right to receive a predetermined amount of cash, either directly from the concession grantor, or indirectly through guarantees given by the concession grantor on the amount of cash received from the users of the public service (*via*, for example, a contractually guaranteed Internal Rate of Return) The receivable contains a financing component within the meaning of IFRS 15 since the customer pays over several years for a service already provided by New SUEZ. This accounting scheme applies in particular to BOT (*Build Operate Transfer*) contracts signed with local authorities and relating to public services (water treatment, household waste incineration),
  - when the concessionaire does not obtain an unconditional right to receive a predetermined amount of cash, the asset becomes an intangible asset: the concessionaire then benefits from a simple right to invoice the users of the public service; the concessionaire is paid in substance by the user. This scheme corresponds to the majority of New SUEZ concession contracts,
  - finally, when the concessionaire obtains this unconditional right to receive cash only for part of its construction service, the counterpart of the turnover is a financial asset for this part, and an intangible asset for the remaining amount;
- the operating service includes the day-to-day operation of the infrastructure, the provision of the operating service to the customer (drinking water distribution; waste treatment, etc.) and the provision of replacement services to maintain the facilities in good condition.

The amounts received from the customer under the concession agreement are split between construction fees and operating fees in accordance with IFRS 15 and IFRIC 12:

- when the asset created is a receivable, the amounts received from the client in compensation for the construction service are recorded partly as interest income in revenue, and partly as repayment of the principal of the receivable; the amount received in compensation for the operating service is recorded in revenue;
- when the asset created is an intangible asset, it is amortised over the term of the concession agreement. All amounts received from the customer are fully recognised as revenue.

Fixed assets received free of charge from the grantor, as items of infrastructure to which the concessionaire is given access for the purposes of the service agreement, which cannot be sold and which are returned free of charge to the grantor at the end of the contract, are not included in the statement of financial position.

New SUEZ may be liable to make payments to the grantor in certain circumstances. If these payments are not made in exchange for goods or services that are separate from the concession agreement, these payments constitute, by application of IFRIC 12:

- a reduction in the selling price of the infrastructure, recognised as an operating expense, when the consideration for the construction service is a financial asset;
- an increase in the intangible asset when the consideration for the construction work is an intangible asset, and the payments to the grantor are fixed; the amount of this increase in the intangible asset is the present value of the future fixed payments;
- an operating expense when the consideration for the construction service is an intangible asset, and the payments to the grantor are variable.

Renewal expenses correspond to obligations provided for in the contracts, the terms of which may differ (contractual rehabilitation obligation, contractual renewal plan, contractual monitoring account, etc.).

They are recognised either as an asset in the statement of financial position as an intangible asset or a financial asset according to the model applicable to the contract if they generate future economic benefits (renewal with improvement), or as an expense in the opposite case (identical renewal).

A concession asset or liability is recognised for replacement expenditure when, at a given date, there is a time lag between the contractual commitment and its realisation.

The amounts are calculated per contract according to the obligations of each contract.

1.5.12 Costs of obtaining and enforcing contracts

IFRS 15 also establishes principles for accounting for the costs of obtaining and performing contracts with customers.

New SUEZ recognises as an asset in the statement of financial position all significant incremental costs of obtaining contracts signed with customers, when these costs were incurred after the date on which it obtained virtual certainty of being awarded the contracts. These incremental costs are the costs it incurs to obtain a contract with a customer that it would not have incurred had it not been awarded the contract (e.g. commissions paid to sales staff when obtaining contracts).

New SUEZ also recognises the costs of executing contracts as an asset in the statement of financial position, when these costs:

- are directly linked to a specific contract (direct labour costs, costs that can be re-invoiced to the client, raw material costs);
- provide the Group with new or increased resources that will be used to meet, or continue to meet, a performance obligation in the future;
- and that it expects to recover these costs.

The assets thus recognised on the costs of obtaining and executing contracts are then amortised in the income statement as the services are provided to the client. They appear under the heading “Depreciation, amortisation and provisions” in the combined income statement and are thus included in current operating income.

1.5.13 Contract assets and liabilities

New SUEZ presents the trade receivables corresponding to the unconditional right to receive cash in exchange for contractual obligations already fulfilled as an isolated asset in the statement of financial position.

There are also situations where it has partially fulfilled its obligations under contracts signed with customers but has not yet obtained an unconditional right to collect, for example because a technical milestone has not been reached at the balance sheet date. These situations lead to the presentation of the assets concerned on two separate lines in the statement of financial position: “Non-current contract assets” and “Current contract assets”. Contract assets are impaired, as soon as impairment losses on these assets are expected, by applying the same principles as those described in Note 1.5.9 for impairment losses on trade receivables.

There are also contract liabilities with customers, incurred because the customers have already paid for services that New SUEZ has not yet performed (advance payments received for services not yet performed; deferred income). They are isolated on two separate lines: “Non-current contract liabilities” and “Current contract liabilities”.

1.5.14 Current operating profit (COI)

Current Operating Income is an indicator used by New SUEZ that makes it possible to present “a level of operating performance that can be used for a forward-looking approach to recurring performance” (in accordance with Recommendation ANC 2013-03, relating to the format of financial statements of companies under international accounting standards). Indeed, the COI is a management balance that facilitates the understanding of the Group’s performance by excluding items that, by nature, have an insufficient degree of predictability, given their unusual, abnormal or infrequent nature. For the Group, these items correspond to impairment losses on assets, restructuring charges, scope effects, other disposal results and non-recurring items. They are defined as follows:

- impairment losses on assets: this heading includes impairment losses on *goodwill*, intangible assets, property, plant and equipment, investments in associates and equity instruments;
- restructuring costs: These are costs corresponding to a programme planned and controlled by management, which significantly modifies either the scope of the company’s activity or the way in which this activity is managed, in accordance with the criteria provided for by IAS 37; Also included in 2021 are:
  - the one-off impact of bonuses distributed to employees of the combined scope by the combined companies and linked to the completion of the VEOLIA takeover bid over the former SUEZ,
  - and the early payment of deferred compensation schemes set up within the Former SUEZ, and from which the employees of the combined companies benefited;
- perimeter effects. This line includes:
  - direct acquisition costs in the event of a takeover,
  - the effects of revaluations, at acquisition date fair value, of previously held interests in the case of step acquisitions,
  - subsequent changes in the fair value of earn-outs,

– the results of disposals of shareholdings that lead to a change in the method of combination and, where applicable, the effects of revaluation of retained interests;

- other gains and losses on disposals and non-recurring items: this heading includes in particular gains and losses on disposals of non-current assets and equity instruments;
- other non-recurring operations.

1.5.15 Cash flow statements

The statements of cash flows are prepared using the indirect method from net income.

Interest received from non-current financial assets“ is classified as a flow from investing activities because it represents a return on investment. Interest received on cash and cash equivalents” is classified as a flow from financing activities because it reduces the cost of obtaining financial resources.

Impairment losses on current assets are treated as definitive losses; consequently, the change in current assets is presented net of impairment.

The flows related to the payment of taxes are isolated.

In accordance with the terms of IAS 7 “Statement of Cash Flows”, the cash and cash equivalents item in the statement of cash flows includes bank overdrafts when the counterparty bank can demand repayment on demand of the negative balance and when the balance of the accounts concerned regularly changes from a negative to a positive position. In this case, the ‘combined statement of cash flows’ includes explanations of the reconciling items to the cash and cash equivalents item in the statement of financial position.

1.5.16 Taxes

New SUEZ calculates its income taxes in accordance with the tax legislation in force in the countries where the results are taxable.

The tax charge at 31 December 2021 has been recognised on a standalone basis, entity by entity, including for entities included in the tax consolidation groups.

In application of the French tax consolidation agreement, the deficits recognised during the period of membership of the French tax consolidation of the former SUEZ are the property of the Former SUEZ. As a result, no deferred tax assets have been recognised in respect of these deficits in the combined financial statements presented.

All of each entity’s temporary differences (which form the basis of deferred tax assets and liabilities) are recognised in the combined financial statements.

In accordance with IAS 12, temporary differences between the carrying amounts of assets and liabilities in the combined financial statements and their tax bases result in the recognition of deferred tax using the liability method at tax rates enacted or substantively enacted at the balance sheet date.

However, in accordance with the requirements of IAS 12, no deferred tax is recognised on temporary differences arising from *goodwill* whose impairment is not deductible or from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit at the transaction date.

New SUEZ does not recognise deferred tax at the date of first recognition of the leases, since at this date the temporary differences relating to the lease assets and liabilities are fully offset. However, deferred taxes are recognised after the effective date of the leases in the amount of the temporary differences between the book value and the tax value that are no longer offset due to the differences in the book value of the lease assets and liabilities.

Furthermore, a deferred tax asset is only recognised if it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, associates, joint ventures and investments in branches unless New SUEZ 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.

Deferred tax balances are determined on the basis of the tax position of each company or the aggregate result of the companies included in the relevant tax consolidation group and are presented as assets or liabilities in the statements of financial position for their net position by tax entity.

Deferred taxes are reviewed at each balance sheet date to take into account the impact of changes in tax legislation and the prospects for recovery of deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

Note 2 Major operations

2.1 Main internal reorganisations within the SUEZ Group during the 2021 financial year and impacting the entities of the New SUEZ combination scope

In view of the acquisition by the Consortium of New SUEZ, several acquisition and disposal transactions within Former SUEZ were carried out between the combined and non-combined perimeters. The transactions that impact the combined accounts consist of:

- purchases by combined companies of shares in already combined companies;
- disposals by combined companies of shares in non-combined companies.

The impact on the combined net assets of the acquisition by combined companies of the previously combined entities corresponds mainly to:

- €404.9m to acquire the shares of Acea (previously combined entity) from Former SUEZ Holding (uncombined entity);
- €251.4m to acquire the shares of R&V Réunion (previously combined entity) from SUEZ Groupe (non-combined entity);
- €69.4m to acquire the Ovak shares (previously combined entity) from SUEZ Groupe (non-combined entity);
- €27.8m to acquire the Vak shares (previously combined entity) from SUEZ Groupe (non-combined entity);
- €26.4m to acquire the BVK shares (previously combined entity) from SUEZ Groupe (non-combined entity);
- €514.9m to acquire the shares of companies in the Water Asia perimeter (previously combined entities) from SITA Asia Pacific (non-combined entity).

These amounts make up the bulk of the “Decrease in combined net assets” line, which amounts to €1,268.3m on the statement of changes in combined net assets.

The impact on the combined net assets of the disposal of non-combined entities by combined companies is mainly due to:

- €464.8m to dispose of the shares of IWS (non-combined entity) by R&V France (combined entity);
- €244.6m to dispose of the shares in SUEZ Australia (non-combined entity) by SUEZ International (combined entity);
- €267.4m to dispose of the OSIS shares (non-combined entity) by R&V France (combined entity). This transaction is not related to the acquisition by the Consortium.

These amounts make up the bulk of the line “Increases in combined net assets” which amounts to €1061.4m in the statement of changes in combined net assets.

The impact of these transactions on cash and cash equivalents is presented under the heading “Net effect of reorganisation operations for the creation of New SUEZ” in statements of combined cash flow for a total of €106.3m.

The difference between this positive cash flow and the sum of the increases and decreases in combined net assets (negative cash flow of €207m) is mainly explained by the part of the acquisition price that remained unpaid at closing date and is recorded under current liabilities in the statements of financial position.

2.2 Acquisition by SUEZ Asia Ltd (non-combined entity) of minority interests in SUEZ NWS (combined entity) and Suyu (combined entity) in China

On January 11, 2021, Former SUEZ announced the signing of an agreement with its historical partner NWS Holdings Limited (NWS) to acquire NWS’s minority interests in all of the two Groups’ joint operations in Greater China. These acquisitions strengthen Former SUEZ presence in Greater China and simplify the structure of its activities in the region. Upon completion of the transaction, Former SUEZ owned 100% of SUEZ NWS and Suyu.

On 11 May 2021, Former SUEZ announced the completion of the acquisition of NWS’s (NWS Holdings Limited) 50% indirect stake in Suyu through its subsidiary NWS Hong Kong Investment Limited (NWS HKI).

Following the acquisition of the indirect 50% stake in NWS, Former SUEZ owned 100% of Suyu.

On 15 November 2021, the acquisition of the entire 42% minority stake in SUEZ NWS was finalised.

These acquisitions were made by SUEZ Asia Ltd, which is not included in the scope of combination. These operations had an impact on the combined net assets, group share, of €494.7m.

Note 3 Operating segments information

3.1 Reportable segments

In both 2020 and 2021, the New SUEZ perimeter was part of the Former SUEZ. The reportable segments presented below are therefore those that were used by the Former SUEZ.

In accordance with the provisions of IFRS 8 – Segment Reporting, four reportable segments grouping the activities of the various regions and/or *business units* have been retained by Former SUEZ to present its segment reporting; they have been identified on the basis of internal reporting, in particular those monitored by the Executive Committee of Former SUEZ, made up of Former SUEZ's main operational decision makers:

The subsidiaries of New SUEZ are thus divided into the following reportable segments:

- **Water**: water distribution and treatment services, particularly under concession contracts (water management). They are delivered to individuals, local authorities or industrial clients;
- **Recycling and Recovery**: services and treatment of waste *vis-à-vis* local authorities and industrial clients. They include collection, sorting, recycling, composting, energy recovery and landfill, for ordinary waste;
- **ETS**: This segment includes all water services for the industrial customer segment, hazardous Waste Services and treatment as well as services, technologies and solutions (SMART) tailored to the specific needs of industrial or municipal customers (Advanced Solutions) and Consulting services;
- segment "**Other**".

3.2 Key indicators by reportable segments

In both 2020 and 2021, the New SUEZ perimeter was part of the Former SUEZ. The key indicators presented below are therefore those used by the former SUEZ. EBITDA, EBIT, Capital Employed and Investments indicators are reconciled to the combined financial statements.

Turnover

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-Group	Group	Total	Non-Group	Group	Total
Water	3,679.3	2.3	3,681.6	3,515.5	13.3	3,528.8
Recycling and Recovery	3,441.8	44.5	3,486.3	2,733.6	48.7	2,782.3
ETS	360.9	38.5	399.4	323.8	87.2	411.0
Other	52.2	-	52.2	35.8	89.4	125.2
Intercompany eliminations		(85.3)	(85.3)		(238.6)	(238.6)
Total revenues	**7,534.2**	**-**	**7,534.2**	**6,608.7**	**-**	**6,608.7**

EBITDA

(in millions of euros)	December 31, 2021	December 31, 2020
Water	907.1	812.2
Recycling and Recovery	489.8	349.8
ETS	36.1	19.4
Other	21.2	1.3
Total EBITDA	**1,454.2**	**1,182.7**

EBIT

(in millions of euros)	December 31, 2021	December 31, 2020
Water	379.2	256.8
Recycling and Recovery	170.5	(3.5)
ETS	4.7	(13.2)
Other	(9.4)	(23.7)
Total EBIT	**545.0**	**216.4**

Depreciation and amortization

(in millions of euros)	December 31, 2021	December 31, 2020
Water	(295.2)	(284.2)
Recycling and Recovery	(250.8)	(264.8)
ETS	(30.3)	(28.0)
Other	(9.3)	(17.5)
Total depreciation and amortization	**(585.6)**	**(594.5)**

Capital employed

(in millions of euros)	December 31, 2021	December 31, 2020
Water	3,405.3	3,915.1
Recycling and Recovery	1,500.7	1,595.3
ETS	291.3	228.0
Other	14.2	(422.8)
Total Capital employed	**5,211.5**	**5,315.6**

Investments in property, plant and equipment, intangible assets and financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Water	(224.2)	(256.1)
Recycling and Recovery	(189.6)	(226.6)
ETS	(77.3)	(23.5)
Other	14.4	34.3
Total investments	**(476.6)**	**(471.8)**

3.3 Key indicators by geographical area

The indicators below are broken down:

- destination of products and services sold for revenues;
- geographical location of combined companies for capital employed.

	Revenues		Capital Employed	
(in millions of euros)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
France	4,601.3	4,183.2	2,063.6	2,340.9
Europe	1,061.1	719.7	892.5	849.8
Rest of the world	1,871.8	1,705.8	2,255.4	2,124.9
Total	**7,534.2**	**6,608.7**	**5,211.5**	**5,315.6**

3.4 Reconciliation of indicators with financial statements

3.4.1 Reconciliation of EBIT and EBITDA to current operating income

(in millions of euros)	December 31, 2021	December 31, 2020
Current operating income	**296.2**	**25.0**
(+) Share in net income of equity-accounted companies considered as core business	175.2	119.3
(-) Others	73.5	72.1
EBIT	**544.9**	**216.4**
(-) Net depreciation, amortization and provisions	608.3	690.1
(-) Share-based payments [(a)]	19.5	-
(-) Disbursements under concession contracts	281.6	276.2
EBITDA	**1,454.2**	**1,182.7**

(a) Excluding cash compensation plans (granting performance units plan and long-term incentive plan).

3.4.2 Cost of doing Business

Former SUEZ did not include in the definition of its EBIT and EBITDA indicators the know-how and brand royalties invoiced to its subsidiaries. However, according to the Management of New SUEZ, these represent a part of the cost of doing business. The table below shows the impact that the integration of these amounts would have on EBIT and EBITDA.

(in millions of euros)	December 31, 2021	December 31, 2020
EBIT	**544.9**	**216.4**
(-) Know-how and brand royalties	73.5	72.2
EBIT including royalties	**471.4**	**144.2**

(in millions of euros)	December 31, 2021	December 31, 2020
EBITDA	**1,454.2**	**1,182.7**
(-) Know-how and brand royalties	73.5	72.2
EBITDA including royalties	**1,380.7**	**1,110.5**

3.4.3 Reconciliation of capital employed to the statement of financial position headings

(in millions of euros)	December 31, 2021	December 31, 2020
(+) Tangible and intangible assets, net	2,927.6	2,962.0
(+) Goodwill, net	999.4	959.6
(+) Rights of use	467.5	573.8
(+) Equity instrument (excluding marketable securities and impact of revaluation to fair value)	88.8	123.6
(+) Loans and receivables carried at amortized cost (excluding assets related to financing)	757.2	795.7
(+) Investments in joint ventures (excluding Other comprehensive income net of taxes)	626.7	851.4
(+) Investments in associates (excluding Other comprehensive income net of taxes)	1,677.0	778.3
(+) Trade and other receivables	2,491.9	2,327.3
(+) Inventories	209.8	192.5
(+) Contracts assets	363.4	333.9
(+) Other current and non-current assets	918.5	1,037.7
(-) Provisions and actuarial losses/gains on pensions plans	(802.4)	(747.0)
(-) Trade and other payables	(2,225.9)	(1,660.7)
(-) Contracts liabilities	(726.4)	(755.2)
(-) Other current and non-current liabilities	(2,555.2)	(2,456.6)
(-) Other financial liabilities	(6.5)	(0.7)
Capital employed	**5,211.5**	**5,315.6**

3.4.4 Reconciliation of investments with the statement of cash flows

(in millions of euros)	December 31, 2021	December 31, 2020
Investments in property, plant and equipment and intangible assets	(409.2)	(455.0)
Takeover of subsidiaries net of cash and cash equivalents acquired	(7.8)	13.8
Acquisitions of interests in associates and joint-ventures	(37.3)	(25.6)
Acquisitions of equity instruments	(22.3)	(5.0)
Total investments	**(476.6)**	**(471.8)**

Note 4 Current operating income

4.1 Turnover

4.1.1 Turnover by nature

The breakdown of New SUEZ’s turnover by type of service is as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Water, Recycling and Recovery	429.1	406.7
Construction contracts, equipment sales, engineering and other services	6,314.0	5,545.6
Sale of chemical treatments for industrial water	791.1	656.4
Total	**7 534.2**	**6 608.7**

4.1.2 Backlog

The order book 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 order book is as follows:

(in millions of euros)	Total	Less than a year	From 1 to 5 years	Beyond 5 years
December 31, 2021	1,159.6	582.5	538.1	39
December 31, 2020	1,221.8	509.4	642.2	70.2

4.1.3 Contract assets and liabilities

Contract assets and liabilities include balances due to or from customers under construction contracts:

	December 31, 2021		December 31, 2020	
(in millions of euros)	Non current	Current	Non current	Current
Contracts assets	67.2	296.1	66.2	267.7
Contracts liabilities	133.8	592.6	103.6	651.6

Contract assets and liabilities include balances due to or from customers under construction contracts:

(in millions of euros)	December 31, 2021	December 31, 2020
Amounts due from customers under construction contracts	168.6	128.4
Amounts due to customers under construction contracts	239.5	154.6
Net position	**(70.9)**	**(26.2)**

In addition, at the balance sheet date, the costs and margins incurred on construction contracts in progress are as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Cumulated costs incurred and margins recognized	4,352.0	3,898.4
Advances received	174.0	210.3
Retentions	47.1	21.7

4.2 Personnel costs

(in millions of euros)	December 31, 2021	December 31, 2020
Short-term benefits	(1,807.2)	(1,709.4)
Share-based payments or by cash payment	(30.9)	1.4
Post-employment benefit obligations and other long-term benefits	(9.8)	(46.8)
Total	**(1 847.9)**	**(1,754.8)**

Short-term benefits correspond to salaries and costs recognised during the period. Their variation between 2020 and 2021 is mainly explained by the mechanisms for reducing social security charges and short-time working implemented by the authorities in France in 2020 (COVID impacts).

Post-employment and other long-term benefits are disclosed in Note 17. The amount corresponds to the expenses for defined benefit pension plans (see Note 17.2.3).

4.3 Depreciation, amortisation and provisions

The amounts shown below are net of reversals.

(in millions of euros)	December 31, 2021	December 31, 2020
Amortization	(585.6)	(594.3)
Depreciation of inventories, trade receivables and other assets	(7.5)	(62.8)
Net change in provisions [(a)]	(15.2)	(33.0)
Total	**(608.3)**	**(690.1)**

(a) Excluding post employment benefit obligations presented in Note 4.2 above.

4.4 Other operating income and expenses

Other operating income and expenses include the following amounts:

(in millions of euros)	December 31, 2021	December 31, 2020
Other operating income	**231.2**	**210.9**
Other operating expenses	**(2,755.8)**	**(2,857.7)**
Sub-contracting	(1,231.4)	(1,068.8)
Taxes excluding corporate income tax	(289.0)	(251.4)
Other expenses	(1,235.4)	(1,537.5)
Total	**(2 524.6)**	**(2 646.7)**

Subcontracting essentially corresponds to expenses incurred in the context of outsourcing part of the production cycle.

Other expenses mainly include the following types of costs: external personnel, maintenance expenses for industrial assets and fees.

Note 5 Income from operating activities

5.1 Impairment losses on tangible, intangible and financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Impairments		
Property, plant and equipment and other intangible assets	(15.5)	(99.1)
Rights of use	(5.1)	-
Financial assets	(20.8)	(28.4)
Total	**(41.4)**	**(127.5)**
Write-back of impairments		
Property, plant and equipment and other intangible assets	9.4	10.6
Financial assets	11.3	18.9
Total	**20.7**	**29.5**
Total	**(20.7)**	**(98.0)**

5.1.1 Impairment of goodwill

At December 31, 2021, as at December 31, 2020, the tests carried out on goodwill in accordance with the procedure described in Note 8.3 did not reveal any impairment.

5.1.2 Impairment of tangible and intangible assets

In 2021, this item mainly includes individually non material amounts.

In 2020, this item mainly includes site impairments in the Recycling and Recovery operating segment in France.

5.1.3 Impairment of financial assets

In both 2021 and 2020, these losses correspond mainly to impairments of financial receivables in France.

5.2 Restructuring

At December 31, 2021, restructuring expenses correspond mainly to costs related to the implementation of various restructuring plans within the New SUEZ as well as, for €29m, the impact of the early payment by the combined entities to their employees of the deferred compensation plans in place within the Former SUEZ and the impact of the special bonuses put in place as part of the creation of the New SUEZ.

At December 31, 2020, these restructurings mainly correspond to costs related to the implementation of the Shaping SUEZ 2030 strategic plan in France.

5.3 Profit or loss on disposal of tangible and intangible assets

As at December 31, 2021, disposals of property, plant and equipment and intangible assets are not material.

Note 6 Net financial income/loss

	December 31, 2021			December 31, 2020		
(in millions of euros)	Expenses	Income	Total	Expenses	Income	Total
Cost of net debt	(39.0)	8.4	(30.6)	(61.5)	29.1	(32.4)
Other financial income and expenses	(76.6)	26.5	(50.1)	(52.0)	13.1	(38.9)
Financial income/(loss)	**(115.6)**	**34.9**	**(80.7)**	**(113.5)**	**42.2**	**(71.3)**

6.1 Cost of net debt

This item mainly includes interest expense (calculated at the effective interest rate – EIR) on gross debt, the result of foreign exchange and currency hedging on gross debt, interest income on cash investments and the change in fair value of financial assets measured at fair value through profit or loss.

	December 31, 2021			December 31, 2020		
(in millions of euros)	Expenses	Income	Total	Expenses	Income	Total
Interest expense on gross borrowings	(29.3)	-	(29.3)	(38.3)	-	(38.3)
Interest expense on lease liabilities	(7.5)	-	(7.5)	(8.8)	-	(8.8)
Exchange gain/(loss) on borrowings and hedges	(1.2)	2.6	1.4	(2.5)	5.1	2.6
Unrealized income/(expense) from economic hedges on borrowings	-	-	-	-	0.6	0.6
Income/(expense) on cash and cash equivalents, and financial assets at fair value through income	-	5.2	5.2	-	16.4	16.4
Capitalized borrowing costs	-	0.4	0.4	-	1.0	1.0
Financial income (expense) relating to a financial debt or receivable restructuring	(1.0)	0.2	(0.8)	(11.9)	6.0	(5.9)
Cost of net debt	**(39.0)**	**8.4**	**(30.6)**	**(61.5)**	**29.1**	**(32.4)**

6.2 Other financial income and expenses

(in millions of euros)	December 31, 2021			December 31, 2020		
	Expenses	Income	Total	Expenses	Income	Total
Net interest expenses related to post employment and other long term benefits	(4.2)	0.1	(4.1)	(4.7)	0.1	(4.6)
Unwinding of discounting adjustment to long term provisions (except post employment)	(27.4)	-	(27.4)	(29.3)	-	(29.3)
Change in fair value of derivatives not included in net debt	-	-	-	-	-	-
Income from equity instruments	-	2.0	2.0	-	1.9	1.9
Other	(45.0)	24.4	(20.6)	(18.0)	11.1	(6.9)
Other Financial Income and Expenses	**(76.6)**	**26.5**	**(50.1)**	**(52.0)**	**13.1**	**(38.9)**

Note 7 Income tax

7.1 Income tax expense in the income statement

7.1.1 Breakdown of the tax expense in the income statement

The tax expense recognised in profit or loss for the year is EUR 100.0 million in 2021 compared to a charge of EUR 44.7 million in 2020. The breakdown of this tax charge is as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Current income tax	(97.6)	(71.1)
Deferred taxes	(2.4)	26.4
Total income tax expense recognized in income	**(100.0)**	**(44.8)**

7.1.2 Theoretical tax expense and recognised tax expense

The reconciliation between the theoretical tax expense and the actual tax expense recognised is presented in the following table:

(in millions of euros)	December 31, 2021
Net income	**187.7**
Share in net income of associates and joint ventures	175.2
Income tax expense	(100.0)
Income before income tax and share in net income of associates and joint ventures (A)	**112.5**
Statutory income tax rate of SUEZ (B)	28.4%
Theoretical income tax expense (C) = (A) X (B)	**(32.1)**
In fact:	
Difference between the normal tax rate applicable to SUEZ and the normal tax rate applicable in jurisdictions in France and outside France	13.1
Permanent differences	(91.8)
Income taxed at a reduced rate or tax-exempt	4.0
Additional tax expense	(2.1)

Effect of unrecognized deferred tax assets on tax loss carryforwards and on other tax-deductible temporary differences	(12.0)
Recognition or utilization of tax assets on previously unrecognized tax loss carryforwards and other tax-deductible temporary differences	13.4
Impact of changes in tax rates	5.0
Tax savings and credits	1.8
Other	0.7
Actual income tax expense	**(100.0)**
Effective tax rate (actual income tax expense divided by income before income tax and share in net income of associates and joint ventures)	**88.9%**

Permanent differences of (91.8) million euros mainly correspond to a tax effect resulting from internal reorganisations.

7.1.3 Analysis of deferred tax income in the income statement by temporary difference category

(in millions of euros)	December 31, 2021	**December 31, 2020**
Deferred tax assets		
Loss carryforwards	12.1	1.2
Pension obligations	(1.2)	(4.8)
Concessions arrangements	(1.1)	3.8
Non-deductible provisions	(7.7)	12.8
Differences between the carrying amount of PPE and their tax bases	0.2	0.9
Measurement of financial instruments at fair value	0.3	(0.5)
Other	(9.2)	(2.5)
Total	**(6.6)**	**10.9**
Deferred tax liabilities		
Differences between the carrying amount of PPE and their tax bases	13.3	12.3
Concessions arrangements	6.6	(14.4)
Tax-driven provisions	(7.8)	(0.5)
Measurement of assets and liabilities at fair value	(10.4)	(6.7)
Other	2.5	24.8
Total	**4.2**	**15.5**
Net Deferred Taxes	**(2.4)**	**26.4**

7.2 Deferred tax income and expense recognised in Other comprehensive income

Deferred tax income and expenses recognised in “Other comprehensive income” are broken down by type of underlying asset as follows:

(in millions of euros)	December 31, 2021	**December 31, 2020**
Actuarial gains and losses	3.6	0.4
Cash flow hedges	0.1	(2.5)
Total excluding share of associates and joint ventures	**3.7**	**(2.1)**
Share of associates	(2.7)	4.3
Total	**1.0**	**2.3**

7.3 Deferred taxes in the combined statements of financial position

7.3.1 Change in deferred taxes

The change in deferred taxes recognised in the statement of financial position, after offsetting deferred tax assets and liabilities by tax entity, is broken down as follows:

(in millions of euros)	Assets	Liabilities	Net Balances
At January 1, 2021	**374.7**	**(180.0)**	**194.7**
From income statement	(6.6)	4.2	(2.4)
From Other comprehensive income [(a)]	4.1	(0.1)	4.0
Scope effects	(14.5)	(81.3)	(95.8)
Translation adjustments	7.0	(12.6)	(5.6)
Other impacts	(41.0)	(0.5)	(41.5)
Deferred tax netting off by tax entity	(7.2)	7.2	-
At December 31, 2021	**316.6**	**(263.1)**	**53.5**

(a) Excluding share of associates and joint-ventures.

7.3.2 Analysis by temporary difference category of the net deferred tax position reported in the combined statements of financial position (before offsetting deferred tax assets and liabilities by tax entity)

(in millions of euros)	December 31, 2021	December 31, 2020
Deferred tax assets		
Loss carry-forwards and tax credit	41.8	17.8
Pension obligations	97.1	93.2
Concessions arrangements	41.9	39.3
Non-deductible provisions	56.8	59.9
Differences between the carrying amount of PPE and their tax bases	88.6	85.7
Measurement of financial instruments at fair value	7.3	6.5
Other	65.0	51.8
Total	**398.5**	**354.2**
Deferred tax liabilities		
Differences between the carrying amount of PPE and their tax bases	(299.3)	(307.2)
Concessions arrangements	(92.7)	(99.2)
Tax-driven provisions	(22.8)	(15.0)
Measurement of assets and liabilities at fair value	(40.5)	(28.7)
Other	110.3	290.7
Total	**(345.0)**	**(159.4)**
Net Deferred Taxes	**53.5**	**194.8**

7.4 Unrecognised deferred taxes

7.4.1 Unrecognised deductible temporary differences

- **Time differences on loss carry-forwards**

As at December 31, 2021, the amount of deferred tax on unused tax losses not recognised in the combined financial statements (as they do not meet the criteria for recognition as a deferred tax asset) is EUR 62.6 million, compared to EUR 70.1 million as at December 31, 2020.

- **Other unrecognised timing differences**

The amount of deferred tax assets on other unrecognised temporary differences is EUR 17.2 million at December 31, 2021, compared to EUR 12.2 million at December 31, 2020.

7.4.2 Unrecognised deferred taxes on taxable temporary differences relating to investments in subsidiaries

A significant deferred tax liability is recognised in respect of temporary differences for which New SUEZ is able to control the timing of the reversal of the temporary difference, and to the extent that it is probable that the temporary difference will reverse in the foreseeable future.

Note 8 Goodwills

8.1 Movements in the carrying amount of goodwill

(in millions of euros)	Gross amount	Impairment Losses	Carrying amount
At December 31, 2020	**967.4**	**(7.8)**	**959.6**
Scope effects	10.9	-	10.9
Impairment losses	-	-	-
Translation adjustments	8.5	-	8.5
Other	20.4	-	20.4
At December 31, 2021	**1,007.2**	**(7.8)**	**999.4**

In 2021, the net change in *goodwill* amounts to EUR +39.8 million and results mainly from:

- the impact of translation differences, notably the Hong Kong dollar for +€3.9 million and the Yuan +€2.9 million;
- the entry of an Australian entity into the scope of integration for +12.9 million euros.

8.2 Main goodwill CGUs

The breakdown of *goodwill* by CGU *goodwill* is as follows:

(in millions of euros)	Operating segment	December 31, 2021	December 31, 2020
Material CGUs			
Water France	Water	341.5	341.4
R&R France	Recycling and Recovery	492.0	495.6
Other CGUs (individual goodwill of less than EUR 80 million)		165.9	122.7
Total		**999.4**	**959.6**

8.3 Impairment test

All significant Cash Generating Units (CGUs) are tested for impairment at based on the end of June data, the last reporting period of the current year adjusted for the review of upcoming events for the second half of the year, the budget for the following year and the four year Medium Term Plan (MTP) for the remainder of the *business plan*.

The recoverable amount of goodwill CGUs is assessed by applying various methods, mainly discounted cash flow (DCF). The discounted cash flow method is based on:

- cash flow forecasts established during the period of the Medium Term Plan. They are linked to the operating conditions forecast by the Executive Committee, in particular the duration of the contracts carried by the entities in the relevant CGU, changes in tariff regulations, future market prospects;

- a terminal value, for the period beyond the MTP, determined by applying the long-term growth rate, ranging from 1.6% to 4.3% depending on the business, to the “Free Cash Flow” [5] normative (definition specific to impairment testing) of the last year of the forecast;
- a discount rate corresponding to the CGU based on the business, country and currency risks associated with each CGU. The discount rates, after tax, used in 2021 are between 4.1% and 4.6%.

When this method is used, the assessment of the recoverable amount of the CGU *goodwill* is based on three scenarios (“low”, “medium” and “high”) differentiated by changes in key assumptions: the discount rate and the long-term growth rate of normative free cash flow. The “medium” scenario is preferred.

The valuations obtained in this way are systematically compared with those obtained using market multiples or stock market values where applicable.

New SUEZ believes, based on events reasonably foreseeable to date, that there is no reason to recognise a material impairment loss on the goodwill presented in the statement of financial position, and that any changes in the key assumptions described below would not result in a shortfall in the recoverable amount compared to the carrying amount.

At 31 December 2021, New SUEZ also considered the value of the transactions to be carried out (Consortium transaction) in the context of the recoverable amount tests.

Main assumptions used on significant goodwill

The table below describes the method and discount rate used in the review of the recoverable amount of Cash Generating Units with significant *goodwill*:

Cash-generating units	Measurement method	Discount rates
Water France	DCF	4.3%
R&R France	DCF	4.3%

8.4 Sensitivity to interest rate and operational assumptions

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 of normalized Free Cash Flow	
Impact in % on excess of recoverable value over book value	50 pb	+ 50 pb	- 50 pb	+ 50 pb
Water France	27%	-18%	-18%	27%
R&R France	53%	-34%	-33%	50%

In addition, New SUEZ has ensured that a reasonable decrease (less than or equal to 5%) in cash flows over the duration of the medium-term plan and in the terminal value would not call into question the value of the *goodwill* of the various significant CGUs.

8.5 Segment information

The breakdown by reportable segment of the carrying amount of *goodwill* is as follows:

(in millions of euros)	December 31, 2021	January 1, 2021
Water	419.9	409.1
Recycling and Recovery	506.3	495.6
ETS	73.3	54.9
Total	**999.4**	**959.6**

[5] The “normative” Free Cash Flow used in the impairment tests differs from the Free Cash Flow in the following respects: no financial interest, use of a normative tax, taking into account all investment flows (maintenance and financial disposals, development and financial acquisitions already committed).

Note 9 Intangible assets

9.1 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, 2020	**529.3**	**2,827.1**	**513.2**	**3,869.6**
Acquisitions	32.9	135.3	41.9	210.1
Disposals	(6.5)	(212.6) [(a)]	(3.8)	(222.9)
Translation adjustments	0.8	62.7	1.4	64.9
Changes in scope of consolidation	(1.6)	-	6.3	4.7
Other	27.1	-	(32.2)	(5.1)
At December 31, 2021	**582.0**	**2,812.5**	**526.8**	**3,921.3**
B. Accumulated depreciation and impairment				
At December 31, 2020	**(371.5)**	**(1,671.3)**	**(351.9)**	**(2,394.7)**
Depreciation	(43.2)	(179.4)	(19.6)	(242.2)
Impairment losses	-	(1.7)	-	(1.7)
Disposals	5.6	204.3 [(a)]	3.8	213.7
Translation adjustments	(0.7)	(27.6)	(0.7)	(29.0)
Changes in scope of consolidation	1.1	-	(3.0)	(1.9)
Other	(1.3)	(4.1)	(0.3)	(5.7)
At December 31, 2021	**(410.0)**	**(1,679.8)**	**(371.7)**	**(2,461.5)**
C. Carrying Amount				
At December 31, 2020	**157.8**	**1,155.8**	**161.3**	**1,474.9**
At December 31, 2021	**172.0**	**1,132.7**	**155.1**	**1,459.8**

(a) At the end of concession contract, intangible assets falling within the scope of IFRIC 12 are sold, in gross value, amortizations and impairments by disposal flows.

9.2 Information on intangible assets

Intangible rights on concession contracts

New SUEZ manages concession contracts within the meaning of SIC 29 (see Notes 1.4.11.3), in the areas of drinking water distribution, wastewater treatment and waste processing. The rights given to New SUEZ as concessionaire over infrastructure, falling within the scope of IFRIC 12 and corresponding to the intangible model, are recognised under this heading. They include in particular the rights to invoice users in application of the IFRIC 12 intangible asset model.

Research and development costs

Research and Development activities involve carrying out various studies relating to technological innovation, improving the efficiency of installations, safety, environmental protection and quality of service.

Research and development costs that do not meet the measurement criteria defined by IAS 38 are expensed, with a decrease of 33.7 million euros at 31 December 2021. This decrease is justified by the effect of the Covid-19 pandemic and the postponement of related innovation and research and development projects.

Expenditure on internal projects in the development phase that meet the criteria for recognition as an intangible asset is not material for the year 2021.

Note 10 Property, plant and equipment

10.1 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, 2020	**826.7**	**997.7**	**2,049.3**	**340.7**	**306.7**	**223.9**	**123.8**	**4,868.8**
Acquisitions	3.0	16.0	46.4	3.1	-	145.3	4.2	218.0
Disposals	(2.3)	(15.2)	(68.8)	(27.1)	-	-	(8.8)	(122.2)
Translation adjustments	0.1	2.0	20.6	1.2	-	0.8	1.7	26.4
Changes in scope of consolidation	-	(0.4)	(43.5)	5.3	(3.5)	5.0	1.4	(35.7)
Other	(16.7)	15.3	50.4	2.0	5.2	(69.2)	2.1	(10.9)
At December 31, 2021	**810.8**	**1,015.4**	**2,054.4**	**325.2**	**308.4**	**305.8**	**124.4**	**4,944.4**
B. Accumulated depreciation and impairment								
At December 31, 2020	**(563.3)**	**(685.1)**	**(1,405.9)**	**(310.5)**	**(306.7)**	**(6.1)**	**(104.1)**	**(3,381.7)**
Depreciation	(41.5)	(35.0)	(101.9)	(14.9)	-		(6.0)	(199.3)
Impairment losses	(9.9)	(1.8)	(0.1)	-		(0.5)	(1.5)	(13.8)
Disposals	3.3	16.3	50.0	25.5	-	2.7	8.2	106.0
Translation adjustments	-	(0.7)	(9.4)	(1.1)	-	-	(1.4)	(12.6)
Changes in scope of consolidation	-	0.3	19.1	(4.2)	3.5	-	(1.1)	17.6
Other	3.5	7.7	(0.8)	2.2	(5.3)	-	(0.1)	7.2
At December 31, 2021	**(607.9)**	**(698.3)**	**(1,449.0)**	**(303.0)**	**(308.5)**	**(3.9)**	**(106.0)**	**(3,476.6)**
C. Carrying Amount								
At December 31, 2020	**263.4**	**312.6**	**643.4**	**30.2**	**-**	**217.8**	**19.7**	**1,487.1**
At December 31, 2021	**202.9**	**317.1**	**605.4**	**22.2**	**(0.1)**	**301.9**	**18.4**	**1,467.8**

In 2021, the main changes correspond to acquisitions of assets under construction (+145.3 million euros), mainly in France.

10.2 Tangible assets pledged as security

Tangible assets pledged as collateral for financial liabilities are stable and amount to EUR 5.1 million at 31 December 2021.

10.3 Contractual commitments to acquire property, plant and equipment

In the normal course of their activities, some New SUEZ companies have undertaken to invest in technical facilities which the third parties concerned undertake to deliver in return.

The contractual commitments for investment in tangible assets made by New SUEZ amount to 111.8 million euros as at 31 December 2021.

Note 11 Investments in joint ventures and associates

11.1 Interests in joint ventures

The most significant shareholdings are the Chinese joint ventures, 50% of which are held by the Hong Kong-based SUEZ NWS Limited group and 50% by the local authorities granting the concession. Given the full integration of SUEZ NWS Limited into the Former SUEZ, the shares of all the joint ventures held (including the aforementioned Chinese joint ventures) are accounted for using the equity method based on the percentage held by SUEZ NWS Limited (50% for the Chinese joint ventures) and represent 620.5 million euros as of 31 December 2021.

The other significant holding at 31 December 2020, the Suyu Group, is no longer presented as a joint venture at 31 December 2021. The completion on 11 May 2021 of the acquisition of NWS's (NWS Holdings Limited) 50% stake in Suyu brought Former SUEZ's holding in the latter to 100%. In addition, this transaction led to the reclassification of Derun Environnement, which was 25.1% owned and previously classified as a joint venture through the Suyu group, as an "associated company".

	Carrying amount of investments in joint ventures		Share in net income/ (loss) of joint ventures	
(in millions of euros)	December 31 , 2021	December 31 , 2020	December 31 , 2021	December 31, 2020
SUEZ NWS Limited Group	620.5	532.0	45.2	33.8
Suyu Group	0.0	313.2	0.0	1.4
Other	6.2	6.3	(0.1)	1.4
Total	626.7	851.4	45.2	36.6

(in millions of euros)	December 31, 2021	December 31, 2021
Net income	45.2	36.6
Other comprehensive income (OCI)	28.9	4.3
Comprehensive income	**74.1**	**40.9**

The following are the summarised financial statements (at 100%) of the Chinese joint ventures accounted for by the equity method at SUEZ NWS Limited on the one hand, and of the Suyu Group, for the 2020 financial year only, on the other hand, as these holdings remain the most significant at the level of New SUEZ.

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	December 31, 2021	December 31, 2020	
(in millions of euros)	Chinese joint ventures	Chinese joint ventures	Suyu Group (a)
Non-current assets	1,514.4	1,347.0	844.4
Current assets	593.6	535.3	7.7
of which Cash and cash equivalents	*289.8*	*266.5*	*7.7*
Total assets	**2,108.1**	**1,882.3**	**852.1**
Shareholders' equity, Group share	1,122.3	975.2	626.4
Non-controlling interests	9.6	8.0	-
Total shareholders' equity	**1,131.9**	**983.2**	**626.4**
Non-current liabilities	355.8	311.0	192.4
Current liabilities	620.4	588.1	33.3
Total shareholders' equity and liabilities	**2,108.1**	**1,882.3**	**852.1**
100% dividends paid in the previous financial year	**39.3**	**63.2**	**-**

(a) In 2021, the Group, through its subsidiary SUEZ Asia, acquired an additional 50% in the Suyu Group (see Note 2.3). Following this transaction, SUEZ no longer consolidates the Suyu Group as a joint venture. SUEZ now directly owns 25.1% of Derun Environnement, which is now classified as an associate. It was previously classified as a joint venture through the Suyu group.

Summary income statements

(in millions of euros)	December 31, 2021	December 31, 2020	
	Chinese joint ventures	Chinese joint ventures	Suyu Group
Revenues	601.2	541.1	-
Current operating income	116.1	111.7	(0.1)
Net income – group share	90.9	70.5	2.9
Net income – non-controlling interests	1.0	1.1	-
Net income	**91.9**	**71.6**	**2,9** [(a)]
Other comprehensive income (OCI) [(b)]	96.3	(24.7)	(12.5)
Comprehensive income	**188.1**	**46.9**	**(9.6)**

(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.

11.2 Investments in associates

Investments and share of profit in associates break down as follows:

(in millions of euros)	Carrying amount of investments in associates		Share in net income/ (loss) of associates	
	December 31 , 2021	December 31 , 2020	December 31 , 2021	December 31, 2020
Acea Group	658.8	624.3	70.3	65.0
Derun [(a)]	782.4	-	37.1	-
Other (individual contributions less than 10% of the total)	235.8	154.0	22.7	17.7
Total	**1,677.0**	**778.3**	**130.1**	**82.7**

(a) In 2021, the Group, through its subsidiary SUEZ Asia, acquired an additional 50% in the Suyu Group Following this transaction, SUEZ no longer consolidates the Suyu Group as a joint venture. SUEZ now directly owns 25.1% of Derun Environnement, which is now classified as an associate. It was previously classified as a joint venture through the Suyu group.

(in millions of euros)	December 31, 2021	December 31, 2020
Net income	130.1	82.7
Other comprehensive income (OCI)	83.6	(3.3)
Comprehensive income	**213.7**	**79.4**

The information presented below for the Acea Group represents 100% of the summarised statements of financial position and income statements.

At the date of publication of the combined annual accounts 2021 of New SUEZ, the combined financial statements as at 31 December 2021 of the Acea Group are not available. In compliance with IAS 28 "Investments in Associates and joint ventures", the condensed statement of financial position and income statement as at 30 September 2021 correspond to the most recent accounts available.

Summary financial statements of the Acea Group

(in millions of euros)	September 30, 2021	December 31, 2020
Non-current assets	7,660.0	7,311.0
Current assets	2,736.4	2,362.6
of which Cash and cash equivalents	*746.5*	*642.2*
Total assets	**10,396.4**	**9,673.6**

Shareholders' equity, Group share	2,067.9	1,964.9
Non-controlling interests	381.7	358.4
Total shareholders' equity	**2,449.6**	**2,323.3**
Non-current liabilities	5,614.3	4,839.0
Current liabilities	2,332.5	2,511.3
Total shareholders' equity and liabilities	**10,396.4**	**9,673.6**
100% dividends paid in the previous financial year	**170.0**	**166.1**

Summary income statement for the first nine months of the Acea Group

(in millions of euros)	September 30, 2021	September 30, 2020
Revenues	2,765.8	2,471.60
Gross operating profit	930.2	858.7
Operating profit/(loss)	459.7	426
Net income – group share	248.6	218.7
Net income – non-controlling interests	31.7	32.4
Net income	**280.3**	**251.1**
Other comprehensive income (OCI)	27.2	(3.2)
Comprehensive income	**307.5**	**247.9**

Note 12 Financial instruments

12.1 Financial assets

The different categories of financial assets and their breakdown between their "non-current" and "current" portions are presented in the table below:

(in millions of euros)	December 31, 2021			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Equity instruments at fair value	52.7	-	52.7	82.9	-	82.9
Loans and receivables carried at amortized cost	606.4	2,642.7	3,249.1	741.9	2,381.2	3,123.1
Loans and receivables carried at amortized cost (excluding trade and other receivables)	606.4	150.8	757.2	741.9	53.9	795.8
Trade and other receivables	-	2,491.9	2,491.9	-	2,327.3	2,327.3
Financial assets measured at fair value	0.1	36.9	37.0	-	30.5	30.5
Derivative financial instruments	0.1	9.7	9.8	-	7.1	7.1
Financial assets measured at fair value through income	-	27.2	27.2	-	23.4	23.4
Cash and cash equivalents	-	1,157.9	1,157.9	-	1,031.0	1,031.0
Liquid financial investments	-	-	-	-	-	-
Other cash and cash equivalents	-	1,157.9	1,157.9	-	1,031.0	1,031.0
Total	**659.2**	**3,837.5**	**4,496.7**	**824.8**	**3,442.7**	**4,267.5**

12.1.1 Equity instruments at fair value

Movements in equity instruments at fair value can be analysed as follows:

(in millions of euros)	Equity instruments at FV through OCI	Equity instruments at FV through income
At December 31, 2020	**82.8**	**0.1**
Acquisitions	21.4	-
Net book value of disposals	(9.1)	-
Changes in fair value posted to equity as Other comprehensive income	25.1	-
Changes in fair value posted to income statement	-	-
Changes in scope, exchange rates and other	(67.8)	0.2
At December 31, 2021	**52.4**	**0.3**

The equity instruments at fair value through OCI and through profit or loss held by the Group at 31 December 2021 are unlisted securities.

12.1.2 Loans and receivables at amortised cost

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables carried at amortized cost (excluding trade and other receivables)	**606.4**	**150.8**	**757.2**	**741.9**	**53.9**	**795.8**
Loans granted to affiliated companies [(a)]	582.0	13.9	595.9	557.1	27.6	584.7
Other receivables at amortized cost	-	-	-	-	-	-
Concession receivables	24.4	136.9	161.3	184.8	26.3	211.1
Finance lease receivables	-	-	-	-	-	-
Trade and other receivables	**-**	**2,491.9**	**2,491.9**	**-**	**2,327.3**	**2,327.3**
Total	**606.4**	**2,642.7**	**3,249.1**	**741.9**	**2,381.2**	**3,123.1**

(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 64.6 million as of December 31, 2021, versus EUR 55.3 million as of December 31, 2020.

Impairments and losses on loans and receivables at amortised cost are presented below:

	December 31, 2021			December 31, 2020		
(in millions of euros)	Gross	Depreciation and impairment	Net	Gross	Depreciation and impairment	Net
Loans and receivables carried at amortized cost (excluding trade and other receivables)	784.4	(27.2)	757.2	820.3	(24.5)	795.8
Trade and other receivables	2,701.5	(209.6)	2,491.9	2,543.4	(216.1)	2,327.3
Total	**3,485.9**	**(236.8)**	**3,249.1**	**3,363.7**	**(240.6)**	**3,123.1**

Information on the ageing of past due receivables not impaired and the monitoring of counterparty risk on loans and receivables at amortised cost (including trade and other receivables) is presented in Note 13.2 “Counterparty risk”.

The net gains and losses recognised in profit or loss on loans and receivables at amortised cost are as follows (including trade receivables):

		Remeasurement post-acquisition	
(in millions of euros)	Interests	Translation adjustment	Impairment
At December 31, 2020	16.6	(0.6)	(68.5)
At December 31, 2021	**13.8**	**0.4**	**(9.1)**

Trade and other receivables

On initial recognition, trade receivables are recognised at their fair value, which in most cases corresponds to their nominal value. An impairment loss is recognised based on the risk of non-recovery by homogeneous category of customers and on the expected default rates for each category of customers (see Note 1.5.9.1).

The fair value of trade and other receivables is equal to their net book value as recorded in the combined statements of financial position.

12.1.3 Financial assets measured at fair value

This item, consisting of derivative financial instruments and financial assets measured at fair value through profit or loss excluding derivatives, is analysed as follows:

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Derivative financial instruments	**0.1**	**9.7**	**9.8**	**-**	**7.1**	**7.1**
Debt-related derivatives (see Note 12.3.1)	-	0.5	0.5	-	0.5	0.5
Derivative hedging commodities	0.1	2.1	2.2	,	,	,
Derivative hedging other items	-	7.1	7.1	-	6.6	6.6
Financial assets at fair value through income exluding derivatives	**-**	**27.2**	**27.2**	**-**	**23.4**	**23.4**
Financial assets measured at fair value through income (See Note 12.3.1)	-	27.2	27.2	-	23.4	23.4
Total	0.1	36.9	37.0	-	30.5	30.5

Commodity derivatives and debt and other derivatives are set up as part of the Group's risk management policy.

Financial assets measured at fair value through profit or loss (excluding derivatives) mainly correspond to mutual fund shares and medium-term notes; they are included in the calculation of the Group's net financial debt (see Note 12.3).

The result recorded on all financial assets measured at fair value through profit or loss at 31 December 2021 is not material.

12.1.4 Cash and cash equivalents

The risk management policy for financial instruments is presented in Note 13.

Cash and Cash Equivalents amounted to 1,157.9 million at 31 December 2021 compared to 1,031.0 million at 31 December 2020.

At 31 December 2021, it mainly comprises term deposits of EUR 85.3 million compared with EUR 86.6 million at 31 December 2020, cash and cash equivalents of EUR 491.5 million compared with EUR 452.2 million and cash current accounts of EUR 580.9 million compared with EUR 491.9 million in 2020.

The result recorded on "cash and cash equivalents" as at 31 December 2021 is EUR 5.0 million compared to EUR 16.3 million as at 31 December 2020.

12.1.5 Other assets

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Other tax receivables	-	438.1	438.1	-	461.4	461.4
Income tax receivables	-	25.8	25.8	-	27.2	27.2
Inter-company account for tax consolidation	-	58.4	58.4	-	100.0	100.0
Employee-related receivables	-	6.6	6.6	-	6.5	6.5
Other miscellaneous receivables	135.6	254.1	389.7	153.0	289.7	442.7
Total	135.6	783.0	918.6	153.0	884.8	1,037.8

12.2 Financial liabilities

Financial liabilities are recognised:

- in 'liabilities at amortised cost' for financial debts, trade and other payables and other financial liabilities;
- or in "liabilities measured at fair value" for derivative financial instruments.

The various financial liabilities, as well as their breakdown between their "non-current" and "current" portions, are presented in the table below:

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Borrowings	644.4	1,396.4	2,040.8	777.7	1,427.3	2,205.0
Lease liabilities	362.4	124.5	486.9	454.1	136.0	590.1
Derivative financial instruments	0.1	7.9	8.0	0.4	7.4	7.8
Trade and other payables	-	2,225.9	2,225.9	-	1,660.8	1,660.8
Other financial liabilities	6.5	-	6.5	0.7	-	0.7
Total	1,013.4	3,754.7	4,768.1	1,232.9	3,231.5	4,464.4

12.2.1 Financial debts

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Bonds issues	51.4	17.1	68.5	66.2	16.6	82.8
Commercial paper	-	-	-	-	-	-
Draw downs on credit facilities	23.5	-	23.5	13.0	-	13.0
Other bank borrowings	143.9	23.8	167.7	160.9	25.0	185.9
Other borrowings	426.5	835.5	1,262.0	541.2	58.3	599.5
Borrowings (gross amounts)	**645.3**	**876.4**	**1,521.7**	**781.3**	**99.9**	**881.2**
Overdrafts and current cash accounts	-	519.2	519.2	-	1,323.4	1,323.4
Outstanding financial debt	**645.3**	**1,395.6**	**2,040.9**	**781.3**	**1,423.3**	**2,204.6**
Impact of measurement at amortized cost	(0.9)	0.8	(0.1)	(3.6)	4.0	0.4
Impact of fair value hedge	-	-	-	-	-	-
Borrowings and debt	644.4	1,396.4	2,040.8	777.7	1,427.3	2,205.0

The fair value of financial liabilities at 31 December 2021 is EUR 2,064.7 million, with a net book value of EUR 2,040.8 million (see analysis of fair value by level in Note 12.4.2).

Financial liabilities are analysed in Note 12.3 "Net financial debt".

Changes in financial liabilities by flow are shown below:

			Non cash flows				
(in millions of euros)	December 31 , 2020	Cash flows	Forex effect	Scope effect	Change in fair value and amortized cost	Others	December 31, 2021
Bond issues	82.8	(16.9)	2.6	-	-	-	68.5
Commercial paper	-	-	-	-	-	-	-
Draw downs on credit facilities	13.0	10.5	-	-	-	-	23.5
Other bank borrowings	185.9	(24.6)	6.3	-	-	0.1	167.7
Other borrowings	599.5	571.1	23.9	77.0	-	(9.5)	1,262.0
Borrowings (gross amounts)	**881.2**	**540.1**	**32.8**	**77.0**	**-**	**(9.4)**	**1,521.7**

Overdrafts and current cash accounts	1,323.4	(865.3)	0.7	7.4	-	53.0	519.2
Outstanding financial debt	**2,204.6**	**(325.2)**	**33.5**	**84.4**	**-**	**43.6**	**2,040.9**
Impact of measurement at amortized cost	0.4	(6.8)	-	0.4	2.7	3.2	(0.1)
Impact of fair value hedge	-	-	-	-	-	-	-
Borrowings and debt	**2,205.0**	**(332.0)**	**33.5**	**84.8**	**2.7**	**46.8**	**2,040.8**
Lease liabilities	**590.1**	**(144.0)**	**1.6**	**(6.9)**	**(68.1)**	**114.2**	**486.9**

12.2.2 Suppliers and other creditors

(in millions of euros)	December 31, 2021	December 31, 2020
Trade payables	1,487.1	1,498.6
Payables on fixed assets	738.8	162.2
Total	**2,225.9**	**1,660.8**

The fair value of trade and other payables is equal to their carrying amount in the combined statements of financial position.

12.2.3 Other liabilities

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Employee-related payables	1.2	486.4	487.6	1.4	410.1	411.5
Income taxes payables	-	133.6	133.6	-	56.4	56.4
Other taxes payables	-	497.7	497.7	-	519.7	519.7
Amounts collected on behalf of third parties	-	810.1	810.1	-	817.1	817.1
Other miscellaneous payables	242.4	383.8	626.2	234.4	417.5	651.9
Total	**243.6**	**2,311.6**	**2,555.2**	**235.8**	**2,220.8**	**2,456.6**

12.3 Net financial debt

12.3.1 Net financial debt by nature

	December 31, 2021			December 31, 2020		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Outstanding borrowings	645.3	1,395.6	2,040.9	781.3	1,423.3	2,204.6
Impact of measurement at amortized cost [a]	(0.9)	0.8	(0.1)	(3.7)	4.0	0.3
Impact of fair value hedge [b]	-	-	-	-	-	-
Borrowings and debts	**644.4**	**1,396.4**	**2,040.8**	**777.6**	**1,427.3**	**2,204.9**
Lease liabilities	**362.4**	**124.5**	**486.9**	**454.1**	**136.0**	**590.1**
Debt-related derivatives under liabilities [c]	-	0.5	0.5	-	0.5	0.5
Gross debt	**1,006.8**	**1,521.4**	**2,528.2**	**1,231.7**	**1,563.8**	**2,795.5**
Financial assets measured at fair value through income excluding financial derivative instruments	-	(27.2)	(27.2)	-	(23.4)	(23.4)
Cash management assets	-	-	-	-	-	-
Other cash and cash equivalents	-	(1,157.9)	(1,157.9)	-	(1,031.0)	(1,031.0)
Debt-related derivatives under assets [c]	-	(0.5)	(0.5)	-	(0.5)	(0.5)
Net cash	**-**	**(1,185.6)**	**(1,185.6)**	**-**	**(1,054.9)**	**(1,054.9)**

Net debt	**1,006.8**	**335.8**	**1,342.6**	**1,231.7**	**508.9**	**1,740.6**
Outstanding borrowings	645.3	1,395.6	2,040.9	781.3	1,423.3	2,204.6
Lease liabilities	362.4	124.5	486.9	454.1	136.0	590.1
Financial assets measured at fair value through income excluding financial derivative instruments	-	(27.2)	(27.2)	-	(23.4)	(23.4)
Cash management assets	-	-	-	-	-	-
Other cash and cash equivalents	-	(1,157.9)	(1,157.9)	-	(1,031.0)	(1,031.0)
Net debt excluding amortized cost and impact of derivative financial instruments	**1,007.7**	**335.0**	**1,342.7**	**1,235.4**	**504.9**	**1,740.3**

(a) This item includes accrued interest on gross financial debt as well as premiums and set-up costs for loans still to be amortised.

(b) This item corresponds to the revaluation of the interest rate component of the debts hedged as part of a fair value hedging strategy.

(c) This is the fair value of debt-related derivatives, whether or not they qualify as hedges.

The sensitivity of the debt (including interest rate and currency derivatives) to interest rate and currency risk is presented in Note 13.

12.3.2 Change in net financial debt

In 2021, net financial debt decreased by EUR 398.0 million. This change is mainly due to:

- to the payment of dividends paid in cash to the minority shareholders of the subsidiaries in the amount of EUR 128.7 million;
- to the postive effect of the reorganisation operations for the creation of New SUEZ amounting to 106,3 million euros;
- to the cash surplus generated by the Group's activities in the amount of EUR 374.1 million;
- 15.9 million increase in net financial debt.

12.3.3 Debt ratio

(in millions of euros)	December 31, 2021	December 31, 2020
Net debt	1,342.6	1,740.6
Total equity	3,736.2	3,586.2
Debt/equity ratio	**35.9%**	**48.5%**

12.4 Fair value of financial instruments by level

12.4.1 Financial assets

Equity instruments at fair value

60.7 million as at 31 December 2021, are valued using valuation models based mainly on recent transactions, discounted dividends or cash flows and net asset value (level 3 fair value).

At 31 December 2021, the change in Level 3 equity instruments at fair value is analysed as follows:

(in millions of euros)	Equity instruments at FV through OCI	Equity instruments at FV through income
At December 31, 2020	**52.6**	**0.1**
Acquisitions	21.4	-
Net book value of disposals	(9.1)	-
Changes in fair value posted to equity as Other comprehensive income	25.1	-
Changes in fair value posted to income statement	-	-
Changes in scope, exchange rates and other	(29.6)	0.2
At December 31, 2021	**60.4**	**0.3**

Loans and receivables at amortised cost (excluding trade and other receivables)

Loans and receivables at amortised cost (excluding trade and other receivables), with a carrying amount of EUR 757,2 million at 31 December 2021, may include items that are part of a fair value hedging relationship. As at 31 December 2021 and 31 December 2020, no hedges were in place.

Derivative financial instruments

The portfolio of derivative financial instruments used by the Group as part of its risk management mainly comprises interest rate and currency swaps, currency options and forward currency purchases and sales. It is recognised at fair value at 31 December 2021 for EUR 9.8 million. The fair value of substantially all of these contracts is determined using internal valuation models based on observable inputs. These instruments are presented in Level 2.

Financial assets measured at fair value through profit or loss

The financial assets measured at fair value through profit or loss, which amounted to EUR 27.2 million at 31 December 2021, are level 2 financial assets, as their fair value is determined using observable inputs.

12.4.2 Financial liabilities

The fair value of financial debts and financial instruments positioned as liabilities is broken down into different fair value levels as follows (the definition of the fair value levels is presented in Note 1.5.9.2 and 1.5.9.3):

	December 31, 2021			
(in millions of euros)	Total	Level 1	Level 2	Level 3
Borrowings	**2 064.7**	**-**	**2 064.7**	**-**
Derivative financial instruments	**8.0**	**-**	**8.0**	**-**
Debt-related derivatives	0.5	-	0.5	-
Derivatives hedging commodities	-	-	-	-
Derivatives hedging other items	7.5	-	7.5	-
Total	2,072.7	-	2,072.7	-

Financial debts

Only listed bonds issued by SUEZ are presented in this table in level 1. The other bonds are presented in level 2. All of these bonds are valued taking into account the interest rate risk (interest rate component); their fair value is determined on the basis of observable data.

Derivative financial instruments

Refer to the description in Note 12.4.1 to justify the level of fair value.

Note 13 Risk management of financial instruments

The Group mainly uses derivatives to hedge its exposure to market risks.

13.1 Foreign exchange risk

The Group's subsidiaries operate mainly locally and in their own currency, and the Group's exposure to transaction risk associated with purchases and sales is therefore limited.

The translation risk is mainly concentrated in the holdings in China and Australia.

Among the hedging instruments used, the most natural hedge is the subscription of loans in the currency concerned. The Group also uses foreign exchange derivatives (currency swaps, cross currency swaps, etc.) which enable foreign currency debts to be created synthetically.

13.2 Counterparty risk

The Group is exposed, through its operational and financial activities, to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, banks) when they are unable to honour their contractual commitments. This risk results from the combination of a payment risk (non-payment of services or deliveries made), a delivery risk (non-delivery of services or supplies paid for) and a risk of replacement of defaulting contracts (known as *Mark to Market* exposure corresponding to replacement under conditions different from those initially planned).

13.2.1 Operational activities

Trade and other receivables

The gross outstanding trade and other receivables that are past their due date are analysed 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, 2021	97.0	13.6	31.2	141.8	405.1	2,154.6	2,701.5
At December 31, 2020	113.7	31.7	39.5	184.9	457.3	1,901.2	2,543.4

The ageing of past due receivables that have not been written down may vary significantly depending on the category of customers with which the Group companies operate, whether they are private companies, individuals or public authorities. In accordance with the terms of IFRS 9, SUEZ Group entities establish risk matrices for non-recovery of their trade receivables by homogeneous category of customers, adapted to their local realities, with regard to the rates of non-payment 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 impairment charges based on the expected default rates for each homogeneous category of customers (see Note 1.5.9.1).

Changes in impairment of trade and other receivables:

(in millions of euros)	Impairment on trade and other receivables
At December 31, 2020	**(216.1)**
Additional credit risk allowances	(95.7)
Reversals for risk surplus/extinction	51.9
Reversal by the counterpart of loss on bad trade receivables	37.3
Change in scope, exchange rates and other	13.0
At December 31, 2021	**(209.6)**

Other assets

With regard to “Other assets”, the proportion of impaired assets remains insignificant in relation to the total amount of the item. The Group considers that it is not exposed to any counterparty risk on these assets.

13.2.2 Financial activities

The Group’s maximum exposure to counterparty risk on financial activities can be assessed as the carrying amount of financial assets excluding equity instruments, and the fair value of derivatives recognised as assets in the statements of financial position (i.e. EUR 4,444,0 million at 31 December 2021 and EUR 4,184.6 million at 31 December 2020).

13.2.2.1 Counterparty risk on loans and receivables at amortised cost (excluding trade and other receivables)

In accordance with the application of IFRS 9 and in accordance with the method detailed in Note 1.5.9.1, the counterparty risk of gross outstandings and impairment of loans and receivables at amortised cost (excluding trade and other receivables) that have passed their due date is analysed 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, 2021 Total
Loans, deposits and guarantees – gross	779.2	0.1	6.1	785.4
Loans, deposits and guarantees – impairment	(16.7)	-	(10.5)	(27.2)

Gross loans and receivables at amortised cost (excluding trade and other receivables) do not include amortised cost items (EUR 1.0 million).

Changes in impairment and amortised cost items are presented in Note 12.1.2 “Loans and receivables at amortised cost”.

13.2.2.2 Counterparty risk related to investment activities and the use of derivative financial instruments

The Group is exposed to counterparty risk on the investment of its surplus funds (cash and cash equivalents) and through the use of derivative financial instruments. Counterparty risk is the loss that the Group could incur if counterparties fail to meet their contractual obligations. In the case of derivatives, this risk corresponds to the positive fair value.

The Group invests the majority of its cash surpluses 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 based, on the one hand, on the approval of counterparties according to their external ratings, their financial situation and objective market factors (credit default swaps, market capitalisation) and, on the other, on the definition of risk limits.

At 31 December 2021, “Cash and cash equivalents” and derivative financial instrument assets are the most significant items subject to counterparty risk. The breakdown of counterparties by type of rating on these items is as follows:

	December 31, 2021			
Counterparty risk arising from investing activities	Total	Investment Grade [(a)]	Unrated [(b) (c)]	Non Investment Grade [(b)]
% of exposure	1,187.6	43%	52%	5%

(a) Counterparties with a minimum rating of BBB- by Standard & Poor’s or Baa3 by Moody’s.

(b) The bulk of these two exposures are carried by combined companies in which there are non-controlling interests or by Group companies operating in emerging countries, where cash is not centralisable and is therefore invested locally.

(c) Including 46% of unrated counterparts concerning entities in the former SUEZ perimeter and 6% of other.

13.3 Liquidity risk

In the course of its operational and financial activities, the Group may be exposed to the risk of a lack of liquidity preventing it from meeting its contractual commitments.

13.3.1 Available cash

The Group’s financing policy is based on the following principles:

- diversification of funding sources between the banking and capital markets;
- balanced financial debt repayment profile.

At December 31, 2021, 1 185.6 million euros, financial assets at fair value through profit or loss for 27.2 million euros, and derivative financial instruments relating to debt and recorded as assets for 0.5 million euros. Almost all of the surplus is invested in short-term bank deposits and interest-bearing accounts.

In addition, the Group has at 31 December 2021 confirmed credit facilities totalling EUR 36.2 million, of which EUR 23.5 million are drawn; undrawn credit facilities therefore amount to EUR 12.7 million, of which EUR 0.2 million will mature during 2022.

At December 31, 2021, bank resources represent 12.6% of outstanding financial debt (excluding bank overdrafts and cash current accounts, as these items do not constitute a permanent source of financing). Capital market financing represents 4.5% of outstanding financial debt (excluding bank overdrafts and cash current accounts).

Available cash, consisting of cash and cash equivalents (1,157.9 million), financial assets measured at fair value through profit or loss (‘27.2 million), net of bank overdrafts and cash current accounts (‘519.2 million), amounted to €665.9 million at 31 December 2021.

13.3.2 Undiscounted contractual flows to financial activities

In order to reflect the economic reality of the operations as closely as possible, the flows linked to derivatives recorded on the liabilities and assets side presented below correspond to net positions. Furthermore, the values presented have a positive sign in the case of liabilities and a negative sign in the case of assets.

The undiscounted contractual flows on outstanding financial debt by maturity date and nature are as follows:

At December 31, 2021 *(in millions of euros)*	Total	2022	2023	2024	2025	2026	Beyond 5 years
Bonds issues	68.5	17.1	17.1	17.1	17.2	-	-
Draw downs on credit facilities	23.5	-	11.1	-	3.5	-	8.9
Other bank borrowings	167.7	23.8	26.3	36.3	37.8	22.4	21.1
Other borrowings	1,262.0	835.5	321.1	3.2	2.5	1.9	97.8

Borrowings	**1,521.7**	**876.4**	**375.6**	**56.6**	**61.0**	**24.3**	**127.8**
Overdrafts and current accounts	519.2	519.2	-	-	-	-	-
Outstanding borrowings	**2,040.9**	**1,395.6**	**375.6**	**56.6**	**61.0**	**24.3**	**127.8**
Financial assets measured at fair value through income	(27.2)	(27.2)	-	-	-	-	-
Other cash and cash equivalents	(1,157.9)	(1,157.9)	-	-	-	-	-
Net debt excluding lease liabilities and excluding amortized cost and impact of derivative financial instruments	**855.8**	**210.5**	**375.6**	**56.6**	**61.0**	**24.3**	**127.8**

The undiscounted contractual interest flows on outstanding financial debt by maturity date are as follows:

At December 31, 2021 *(in millions of euros)*	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**Beyond 5 years**
Undiscounted contractual interest payments on outstanding borrowings	69.9	13.4	10.9	9.5	7.9	5.6	22.6

Note 14 Information on leases

The following analyses show the main items under leases.

14.1 Rights of use

The following table shows the rights of use by category:

(in millions of euros)	**Lands**	**Buildings**	**Plant machinery and technical equipment**	**Vehicles**	**Others**	**Total**
At January 1st, 2020	**45.7**	**245.6**	**11.8**	**268.8**	**1.9**	**573.8**
Asset inflows	7.3	33.9	9.4	62.2	0.1	112.9
Impairment loss	-	0.7	-	-	-	0.7
Amortization	(6.4)	(55.6)	(4.1)	(76.7)	(0.9)	(143.7)
Termination	-	(12.1)	-	(60.0)	-	(72.1)
Scope effects	-	(5.4)	(0.1)	(1.4)	-	(6.9)
Translation effects and other	0.1	1.0	0.1	1.5	0.1	2.8
At December 31, 2020	**46.7**	**208.1**	**17.1**	**194.4**	**1.2**	**467.5**

14.2 Rental expenses exempted under IFRS 16

As at 31 December 2021 and 2020, the following items continue to be reported as rental expenses:

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Short term leases	29.6	21.4
Leases of low value assets	15.7	31.3
Expenses on variable leases	0.4	0.1
Others	20.1	5.3
Total	**65.8**	**58.1**

14.3 Lease debt

At 31 December 2021 and 2020, the discounted cash flows on outstanding lease debt by maturity date are as follows:

At December 31, 2021 *(in millions of euros)*	Total	2022	2023	2024	2025	2026	Beyond 2026
Lease obligation	486.9	124.5	105.9	80.0	51.0	31.4	94.1

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 2025
Lease obligation	590.0	136.0	93.2	80.7	63.2	43.1	173.8

The cash outflows from leases are as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Repayment of the lease debt	144.0	151.6
Interest expense related to lease liabilities	7.5	8.8
Rental expenses benefiting from exemptions under IFRS 16	65.8	58.1
Cash outflows related to leases	**217.3**	**218.5**

Note 15 Non-controlling interests

Non controlling interests amount to 362.6 million at 31 December 2021 compared to 803.6 millions euros at 31 December 2020.

They mainly concern:

(in millions of euros)	December 31, 2021	December 31, 2020
SUEZ NWS	146.6	641

Details of changes in non-controlling interests are shown in the statement of changes in combined net assets.

The decrease in non-controlling interests in SUEZ NWS results from the acquisition of the 42% stake held by the New World Group in SUEZ NWS on 15 November 2021.

Note 16 Provisions

(in millions of euros)	December 31, 2020	Allowances	Reversals (utilizations)	Reversals (surplus provisions)	Scope effects	Impact of unwinding discount adjustments [(a)]	Translation adjustments	Other	December 31, 2021
Post-employment benefit obligations and other long-term benefits	366.7	13.9	(19.7)	-	2.4	4.1	3.5	15.0	385.9
Sector-related risks	14.6	22.8	(14.9)	-	0.2	-	-	(0.3)	22.4
Warranties	5.0	0.5	(1.6)	-	-	-	-	-	3.9

Tax risks, other disputes and claims	43.9	11.9	(19.1)	-	(3.5)	-	0.1	0.8	34.1
Site restoration	300.3	40.1	(50.7)	-	(3.5)	15.1	-	-	301.3
Restructuring costs	19.0	15.4	(9.5)	-	(0.8)	-	0.1	(0.2)	24.0
Other contingencies	139.3	76.3	(42.2)	-	5.9	0.1	-	3.3	182.7
Total provisions	**888.8**	**180.9**	**(157.7)**	**-**	**0.7**	**19.3**	**3.7**	**18.6**	**954.3**
Total current provisions	123.3	95.3	(67.1)	-	(1.0)	-	0.5	(8.6)	142.4
Total non-current provisions	765.8	85.7	(90.6)	-	1.7	19.3	3.3	26.7	811.8

(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.

The total amount of provisions increased by EUR 65.2 million over the period. This change is mainly due to:

- the change in provisions for post-employment and other long-term benefits for EUR +19.2 million mainly related to the change in actuarial gains and losses in the "Other" column (see Note 17);
- the change in provisions for other risks of EUR +43.4 million is mainly due changes in the provisions for losses at completion on construction contracts.

The allowances, reversals and the impact of unwinding discount adjustments presented above and linked to discounting impacts are presented as follows in the combined income statement at 31 December 2021:

(in millions of euros)	2021
Income from operating activities	21.5
Other financial income and expenses	19.3
Income tax expense	1.8
Total	**42.6**

The analysis by nature of the provisions and the principles applicable to their calculation are set out below.

16.1 Post-employment and other long-term benefits

The evolution of this item is presented in Note 17.

16.2 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.

16.3 Tax risks, other disputes and claims

This item includes provisions related to ongoing procedures concerning employees or social security bodies (adjustment of social security contributions, etc.), ongoing disputes arising from the Company's normal activity (customer complaints, supplier disputes), tax adjustments and tax disputes.

16.4 Site reconstruction

The European Directive of June 1998 on landfills introduced obligations for the closure and long-term monitoring of landfills. These obligations imposed on the holder of the operating permit (or, failing that, on the owner of the land in the event of the operator's default) set out rules and conditions to be observed in terms of the design and sizing of storage centres, the collection and treatment of liquid (leachate) and gaseous (biogas) effluents, and the establishment of a 30-year monitoring system for these sites.

These provisions of two types (redevelopment and long-term monitoring) are calculated site by site and are constituted during the period of operation of the site in proportion to the consumption of the excavation void (linking of expenses and income). These costs, which will have to be incurred when the site is closed or during the long-term monitoring period (generally 30 years in the European Union after the site is closed, 20 years in France pursuant to the ministerial order of 15 February 2016 followed by a renewable

5-year monitoring period), are discounted. An asset is recognised against the provision. It is amortised at the rate of consumption of the excavation void or the need for cover, i.e. during the financial year.

The calculation of the provision for rehabilitation (when the storage facility closes) depends on the type of cover chosen: semi-permeable, semi-permeable with drain, or impermeable. This choice has a strong impact on the level of future leachate production and consequently on the future costs of treating these effluents. The calculation of this provision requires an assessment of the cost of reclaiming the remaining area to be covered. The provision recorded in the statement of financial position at the end of the period must allow for the redevelopment of the part not yet treated (difference between the filling rate and the percentage of the site surface already redeveloped). Each year, the provision is re-evaluated on the basis of the work carried out and that to be carried out.

The calculation of the provision for long-term monitoring depends on the costs of leachate and biogas production on the one hand, and on the recovery of biogas on the other. This biogas recovery is a source of income and reduces the long-term monitoring expenses. The main items of expenditure for long-term monitoring are:

- construction of infrastructure (biogas recovery unit, leachate treatment facility) and demolition works of facilities used during the operational period;
- maintenance and repair of roofing and infrastructure (surface water collection);
- control and monitoring of surface water, groundwater and leachate;
- replacement and repair of control points (piezometers);
- leachate treatment costs;
- the expenses related to the collection and treatment of biogas (but taking into account the income generated by its recovery).

The long-term monitoring provision to be disclosed in the period-end statement of financial position is based on the filling rate of the storage facility at the end of the period, the estimated total expenditure per year and per item (based on standard or specific costs), the expected date of closure of the site and the discount rate used for each site (based on its remaining life).

Note 17 Post-employment and other long-term benefits

17.1 Description of the main pension plans and similar benefits

Most of the New SUEZ companies provide their employees with post-employment benefits (pension plans and end-of-career indemnities, medical coverage, benefits in kind, etc.), as well as other long-term benefits such as long-service awards.

17.1.1 Main pension schemes

Employees benefit from defined contribution pension schemes such as the basic social security scheme or supplementary pension schemes. Some employees also benefit from voluntary pension schemes, some of which are defined benefit schemes through which the employer undertakes to pay its employees, or a category of its employees, retirement pensions the amount of which is fixed contractually.

17.1.2 Other post-employment and long-term benefits

In addition to the pension supplements mentioned above, most of the New SUEZ entities grant their employees long-service awards, which correspond to bonuses paid during the period of activity to the employees concerned, when they meet certain seniority conditions. In addition, several New SUEZ companies undertake to finance part of the costs incurred by their employees and/or retirees in the event of specific events (illnesses, etc.) and in addition to the amounts paid under the defined contribution plans.

These obligations are under defined benefit plans. They are presented in the following tables under “other post-employment benefits” and “other long-term benefits”.

17.2 Defined benefit plans

17.2.1 Amounts presented in the statement of financial position and 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 is the difference between the defined benefit obligation (gross obligation) and the fair value of the plan assets. Where this difference is positive, a provision is recorded (net liability). When the difference is negative, a net asset is recognised as long as it meets the conditions for recognition of a plan asset.

The changes in provisions and assets for pensions and similar commitments recognised in the statement of financial position are as follows:

(in millions of euros)	Assets	Liabilities	Total
Balance at December 31, 2020	**0.3**	**(366.7)**	**(366.4)**
Translation gains and losses	-	(3.8)	(3.8)
Actuarial gains and losses [(a)]	(0.2)	(14.1)	(14.3)
Changes in scope of consolidation and other	(0.2)	(1.9)	(2.1)
Expense of the period [(b)]	-	(13.9)	(13.9)
Contributions	0.3	14.5	14.8
Balance at December 31, 2021	**0.2**	**(385.9)**	**(385.7)**

(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 the non-current and current "Other assets" lines.

The impact of the financial year 2021 brings out a cost of (13,9) million euros *versus* a net income of 1,7 million euros in 2020. The main components of this cost for 2021 are presented in Note 17.2.3.

Actuarial gains and losses on post-employment benefits recognised in equity amount to (151.9) million euros at 31 December 2021 compared to (142.1) million euros at 31 December 2020. (142.1) million at 31 December 2020. They are presented here excluding the translation adjustment and the tax effect, the latter being presented separately in the statement of comprehensive income.

(in millions of euros)	December 31, 2021	December 31, 2020
Opening balance	**(142.1)**	**(137.6)**
Actuarial gains and (losses) generated during the year [(a)]	(14.3)	2.3
Changes in scope of consolidation and other	4.5	(6.8)
Closing balance	**(151.9)**	**(142.1)**

(a) On employee benefits.

The closing balance of actuarial gains and losses presented above includes actuarial gains and losses recognised in companies accounted for using the equity method.

17.2.2 Changes in the amount of liabilities and plan assets

The table below shows the amount of New SUEZ's defined benefit obligation and plan assets, their evolution over the years, and a reconciliation with the amounts recognised in the statement of financial position.

		December 31, 2021			
(in millions of euros)		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		**(244.2)**	**(127.0)**	**(10.1)**	**(381.3)**
Service Cost		(13.3)	(1.7)	(0.8)	(15.8)
Interest cost		(1.9)	(2.3)	-	(4.2)
Contributions paid		-	-	-	-
Amendments		(0.1)	-	-	(0.1)
Acquisitions/Disposals of subsidiaries		(1.4)	-	(0.1)	(1.5)
Curtailments/settlements		5.4	0.2	0.2	5.8
Special terminations		-	-	-	-
Financial actuarial gains and losses		2.6	2.0	-	4.6
Demographic actuarial gains and losses		(18.4)	(0.7)	0.4	(18.7)
Benefits paid		9.0	5.4	0.7	15.1
Other		0.3	(2.6)	-	(2.3)
Projected Benefit Obligation at the end of period	**(A)**	**(262.0)**	**(126.7)**	**(9.7)**	**(398.4)**

Change in fair value of plan assets					
Fair value of plan assets at the beginning of the period		**14.9**	**-**	**-**	**14.9**
Expected return on plan assets		0.1	-	-	0.1
Contributions received		8.0	5.4	0.6	14.0
Curtailments/settlements		-	-	-	-
Actuarial gains and losses		0.1	-	-	0.1
Benefits paid		(8.4)	(5.4)	(0.6)	(14.4)
Other		(1.9)	-	-	(1.9)
Fair value of plan assets at the end of period	**(B)**	**12.8**	**-**	**-**	**12.8**
Funded status	**(A+B)**	**(249.2)**	**(126.7)**	**(9.7)**	**(385.6)**
Net benefit obligation		**(249.2)**	**(126.7)**	**(9.7)**	**(385.6)**
Total Liabilities		**(249.3)**	**(126.8)**	**(9.8)**	**(385.9)**
Total Assets		**0.1**	**0.1**	**0.1**	**0.3**

(a) Pensions and retirement bonuses.

(b) Medical coverage, gratuities and other post-employment benefits.

(c) Long-service awards and other long-term benefits.

17.2.3 Component of the cost for the year

The cost recognised for pensions and similar defined benefit obligations in 2021 and 2020 is as follows:

(in millions of euros)	Exercice 2021	December 31, 2020
Current service cost	(15.8)	(15.5)
Net interest expense on the net defined benefit liability	(4.1)	(4.5)
Actuarial gains or losses	0.4	0.4
Past service cost/amendments	(0.1)	11.7
Gains or losses on Pension Plan curtailments, terminations and settlements	5.7	9.6
Total	**(13.9)**	**1.7**
of which recognized in current operating income	*(9.8)*	*6.2*
of which recognized in financial income/(loss)	*(4.1)*	*(4.5)*

17.2.4 Policy and strategy for covering pension and similar commitments

Where defined benefit plans are financially backed, the assets are invested through pension funds and/or insurance companies. The allocation between these broad categories differs for each plan according to the investment practices of the countries concerned. The investment strategies of defined benefit plans aim to strike a good balance between the return on investment and the associated risks.

The investment objectives are:

- maintain sufficient liquidity to pay pensions or other lump sum payments; and
- within a framework of controlled risk, to achieve a long-term rate of return remunerating the discount rate or, where appropriate, at least equal to the future returns requested.

The coverage of the liabilities is analysed 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	(35.1)	14.1	-	-	(21.0)
Overfunded plans	(0.7)	0.8	-	-	0.1
Unfunded plans	(345.5)	-	-	-	(345.5)
Total December 31, 2020	**(381.3)**	**14.9**	**-**	**-**	**(366.4)**
Underfunded plans	(29.7)	11.9	-	-	(17.8)
Overfunded plans	(0.6)	0.9	-	-	0.3

Unfunded plans	(368.1)	-	-	-	(368.1)
Total December 31, 2021	**(398.4)**	**12.8**	**-**	**-**	**(385.6)**

The breakdown of the cover assets into the main asset categories is as follows:

	2021	2020
Securities	5%	7%
Bonds	69%	67%
Real Estate	7%	5%
Other (including money market securities)	19%	21%
Total	**100%**	**100%**

17.2.5 Actuarial assumptions

Actuarial assumptions have been determined by country and company in conjunction with independent actuaries.

The weighted rates are presented as follows:

	Pensions		Other post-employment benefits		Long-term benefits		Total benefit obligation	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	0.6%	0.5%	2.2%	2.5%	1.1%	0.8%	1.5%	1.9%
Estimated future increase in salaries	1.3%	0.9%	2.5%	3.6%	1.6%	1.5%	2.2%	2.6%
Inflation Rate	0.9%	0.8%	2.1%	2.3%	1.5%	1.7%	1.5%	2.1%
Average remaining working lives of participating employees	15 ans	15 ans	14 ans	14 ans	6 ans	8 ans	15 ans	15 ans

The discount and salary increase rates are presented including inflation.

The discount rate used is determined by reference to the yield, at the valuation date, on bonds issued by senior companies, for a maturity corresponding to the duration of the commitment.

Similarly to 31 December 2020, the rates at the end of 2021 have been determined for each currency area using data on either the yield on high quality corporate bonds or the yield on government bonds for countries where there is no deep market for high quality corporate bonds. A discount rate curve has been selected per currency area and applied to the debt and to the components of the current expense (Service Cost and Net Interest).

Note 18 Share-based payments or cash payments

The amounts recognised for share-based and cash-based payments are as follows:

(in millions of euros)	Note	(Expense) for the period 2021	(Expense) for the period 2020
Performance share and units plans	18.1	(11.4)	(2.1)
Employees share issues	18.2	(19.5)	-
Long-term incentive plan [(a)]		-	3.8
Total		**(30.9)**	**1.7**

(a) In 2020, this line included a reversal of a provision relating to the 2017 plan for which the grant period had expired. This reversal of the provision was the counterpart of the amount paid to the beneficiaries and was recorded in personnel expenses.

These expenses are accounted for in accordance with the provisions of IFRS 2 and IAS 19 (revised).

18.1 Free share and performance unit plans

Free share and performance unit plans are those set up in the Former SUEZ. The costs presented below are correspond to the benefits awarded to NEW SUEZ employees and either paid by combined entities or directly by the Former SUEZ holding Company.

18.1.1 Devices and allocations

No new free share and performance unit plans were granted during the year.

18.1.2 Accounting expenses

(in millions of euros)	Weighted average fair value	(Expense) for the period 2021	2020
July 2018 – Performance units plan	7.2 €	0.8	(0.8)
October 2019 -Performance units plan	19.7 €	(11.5)	(4.5)
November 2020 – Performance units plan	19.7 €	(8.8)	(0.6)
Total		**(19.5)**	**(5.9)**

The costs of the plans, including social security charges, are spread over the vesting period of the rights against equity for the performance share plan and against social security liabilities for the performance unit plans.

The Board of Directors of Former SUEZ, on July 28, 2021 lifted the initial presence conditions of the performance unit plans granted in 2019 and 2020 so that the payments to the beneficiaries would take place in the month following the closing of Veolia S.A.'s takeover bid for the SUEZ S.A. shares.

The performance share and performance unit plans granted in 2018 vested on 30 September 2021 and 31 October 2021 respectively.

The provisions relating to the Free Share and Performance Unit Plans are described in detail in the previous Universal Registration Documents and Reference Documents of SUEZ.

18.2 Capital increases reserved for employees employees

The costs recorded in 2021 and 2020 on the current plans is as follows:

(in millions of euros)			(Expense) for the period 2021	2020
SUEZ Sharing 2020 Plan	Discount in France	Jannuary 2021	(19.5)	-
Total			**(19.5)**	**-**

18.2.1 Sharing 2020 Plan

On 6 January 2021, Former SUEZ launched its fifth employee shareholding plan called Sharing 2021. This capital increase reserved for the Group's employees in France is part of a policy to develop employee shareholding.

The proposed formula was a "Multiple" formula allowing employees to benefit from a leverage effect to complete their personal contribution as well as a discounted subscription price. Through a swap agreement with the bank structuring the discount formula, employees benefit from a guarantee on their personal contribution and a minimum return guarantee.

18.2.1.1 Accounting impact of the capital increase in France

The subscription price corresponds to the average of the opening price of the SUEZ (Former SUEZ) share during the 20 trading days preceding the date of the decision of the Chief Executive Officer of Former SUEZ fixing the opening of the subscription/withdrawal period, less 15%, i.e. 14.59 euros.

In application of IFRS 2, an expense is recognised in the accounts of NEW SUEZ against combined net assets, even if the plan is mostly financed by non combined entities. For the discount granted on the share price, the accounting charge corresponds to the difference between the fair value of the share subscribed and the subscription price. The fair value takes into account the condition of non-transferability of the shares over a period of 5 years, provided for by French legislation, as well as the opportunity gain implicitly borne by SUEZ by allowing its employees to benefit from more favourable pricing conditions than those they could obtain as individuals.

The assumptions made are as follows:

- 5-year risk-free interest rate: 0%;
- funding rate for an employee: 0%;
- cost of securities lending: 0.80;
- volatility spread: 1.92.

(19.5) million in the year 2021.

		Sharing Multiple
Amount subscribed ***(in millions of euros)***		149.8
Number of shares subscribed ***(in millions)***	(a)	8.7
Gross value of the employee benefit ***(euros/share)***	b1	2.57
Lock-in cost for the employee ***(euros/share)***	b2	(0.68)
Measure of opportunity gain ***(euros/share)***	b3	0.33
Total benefit granted to employees* ***(euros/share)***	(b) = b1+b2+b3	2.23
Book expense	**- (a) X (b)**	**(19.5)**

* When the benefit granted to employees is negative, it is reduced to 0.

The net contribution received by the employees was paid in cash by SUEZ and was recorded in personnel expenses.

The valuation of the expense recognised depends, among other things, on the assessment of the opportunity gain. A variation of +/-0.5 points in these rates would have the following impacts on the recognised expense:

Sensitivity (change in expense in millions of euros)	**Total**
Increase in opportunity gain +0.5%	(0.7)

Note 19 Court and arbitration proceedings

New SUEZ is involved in the normal course of business in a number of disputes and arbitrations with third parties or with the tax authorities of certain countries. Provisions are made for these disputes and arbitrations when there is an obligation (legal, contractual or implicit) to a third party at the balance sheet date, it is probable that an outflow of resources without consideration will be required to settle the obligation, and the amount of this outflow of resources can be estimated with sufficient reliability. The amount of provisions set aside for this purpose at 31 December 2021 is EUR 34.1 million.

Note 20 Events after the balance sheet date

During the month of January 2022, several transfers of shares took place between the combined scope and the non-combined scope of Former SUEZ in order to prepare for the finalisation of the buyout by the Consortium of the New SUEZ scope. This mainly concerns the purchase of “Sino-French (SCIP) Sewage Company Limited” by “Sino French Water Development” from SUEZ Asia (the first two companies are in the combined scope, while the last one is not.

The transfer by SUEZ to the Consortium of the New SUEZ perimeter took place on 31 January 2022. Nevertheless, at this date, several transfers of subsidiaries or activities remain to be carried out once the contractually or legally required authorisations have been obtained.

This mainly concerns the transfer by SUEZ to the Consortium of LYDEC; the other activities awaiting transfer present a non-material contribution to the combined accounts.

Management considers it likely that these transactions will be completed.

The table below shows LYDEC's contribution to the combined accounts:

(in millions of euros)	December 31, 2021	December 31, 2020
Non-current assets	469.4	506.1
Current assets	300.5	289.0
of which cash and cash equivalents	*25.1*	*6.1*
Total Assets	**769.9**	**795.1**
Shareholders' equity, Group share	(7.9)	(11.6)
Non-controlling interests	(7.6)	(11.1)
Total shareholders' equity	**(15.5)**	**(22.7)**
Non-current liabilities	389.8	430.2
Current liabilities	395.6	387.6
Total shareholders' equity and liabilities	**769.9**	**795.1**

(in millions of euros)	December 31, 2021	December 31, 2020
Revenues	668.1	629.2
Current operating income	40.4	26.2
Net income	**10.0**	**1.2**
of which: Group share	5.1	0.6

(in millions of euros)	December 31, 2021	December 31, 2020
EBITDA	103.1	91.1
EBIT	40.4	26.2

(in millions of euros)	December 31, 2021	December 31, 2020
Cash flows from operating activities	70.5	4.1
Cash flows from investing activities	(29.1)	(31.7)
Cash flows from financing activities	(22.7)	14.8
Net debt	103.8	133.4

Note 21 List of major combined companies as at 31 December 2021 and 2020

Names	Headquarters address	% interest		% control		Consolidation methods [a]	
		Dec. 2021	Dec. 2020	Dec. 2021	Dec. 2020	Dec. 2021	Dec. 2020
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 Australia Holding Pty Ltd	Level 3, 3 Rider Boulevard 2138 Rhodes, NSW – Australie	100,0	100,0	100,0	100,0	FC	FC
Sociedade de Abastecimento de Aguas de Macau	718 avenida do Conselheiro borja, Macao – Chine	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 – Maroc	51,0	51,0	51,0	51,0	FC	FC
ACEA Spa	P.le Ostiense, 2 – 00154 Roma – Italie	23,3	23,3	23,3	23,3	EM	EM
Chongqing Derun Environment Company Limited	NO. 20-1, Block 3, 101 Cypress Road Springfield Road Chongqing – Chine	25,1	12,6	25,1	12,6	EM	EM
RECYCLING AND RECOVERY							
SUEZ RV France	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	100,0	100,0	100,0	100,0	FC	FC
Environmental Technology & Solutions – ETS							
Safège	15, rue du Port, 92022 Nanterre – France	100,0	100,0	100,0	100,0	FC	FC

(a) FC: Full consolidation.

EM: Equity method of consolidation.

NC: Non consolidated.

REPORT OF THE STATUTORY AUDITORS OF SUEZ SA ON THE COMBINED FINANCIAL STATEMENTS OF THE NEW SUEZ PERIMETER FOR THE YEAR ENDED 31 DECEMBER 2021

MAZARS	**ERNST & YOUNG Audit**
Tour Exaltis	Tour First
61, rue Henri Regnault	TSA 14444
92075 Paris-La Défense cedex	92037 Paris-La Défense cedex
S.A. à directoire et conseil de surveillance au capital de € 8 320 000	S.A.S. à capital variable
784 824 153 R.C.S. Nanterre	438 476 913 R.C.S. Nanterre
Commissaire aux Comptes Membre de la compagnie régionale de Versailles et du Centre	Commissaire aux Comptes Membre de la compagnie régionale de Versailles et du Centre

New SUEZ

Year ended December 31, 2021

Report of the statutory auditors of SUEZ SA on the combined financial statements of the New SUEZ scope

To the members of the Board of Directors,

In our capacity as statutory auditors of SUEZ SA (the New SUEZ holding company), and in accordance with Regulation (EU) 2017/1129 supplemented by Commission Delegated Regulation (EU) 2019/980, within the framework of the proposed admission to trading of debt securities on the Euronext Paris regulated market, we have audited the accompanying combined financial statements of the New SUEZ scope as defined in the notes to the combined financial statements, for the year ended December 31, 2021, prepared for the purposes of the prospectus.

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

These combined financial statements were approved by the Board of Directors of SUEZ SA (New SUEZ holding company). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and with the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this type of engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance that the combined financial statements are free of material misstatement. An audit consists of performing procedures, using sampling techniques or other selection methods, to obtain audit evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of significant estimates made by Management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the combined financial statements of the New SUEZ scope, prepared for the purposes of the prospectus, give a true and fair view of the assets and liabilities and of the financial position of the combined scope as at December 31, 2021 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.

Without qualifying the opinion expressed above, we draw your attention to Note 1.2 "Basis of preparation of the combined accounts" which presents the New SUEZ scope of combination and the approach used for the preparation of the combined financial statements.

Paris-La Défense, April 27, 2022

The Statutory Auditors

MAZARS	ERNST & YOUNG Audit
Julien Huvé	Jean-Christophe Goudard

RECENT DEVELOPMENTS

On 6 May 2022, Suez published the following press release:

"SUEZ: ACQUISITION OF THE HAZARDOUS WASTE ASSETS IN FRANCE FROM VEOLIA

SUEZ and Veolia announce an agreement for the acquisition by SUEZ of all hazardous waste assets in France as part of commitments made by Veolia to the European Commission regarding competition. The assets represent an enterprise value of €690 million

The agreement is formalized through a unilateral put option which should enable the parties to complete the transaction and the consultation process with the works councils of Veolia and to obtain the required regulatory approvals. The agreement will be implemented in compliance with the social commitments announced by both Groups."

SUBSCRIPTION AND SALE

Overview of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 6 May 2022 (the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis to the Permanent Dealers. However, the Issuer has reserved the right to issue Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be placed by the Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), nor with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons exemption in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.

Materialised Bearer Notes are bearer notes under U.S. tax law; which are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions, or to a U.S. person; except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Bearer Notes, deliver Notes of any Tranche, (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the commencement of the offering of any identifiable Tranche and the closing date, except in accordance with Rule 903 of Regulation S. Furthermore, each Dealer has represented and agreed that neither it, its affiliates, nor any persons acting on its or their behalf, has engaged or will engage in any "directed selling efforts" (as defined in Rule 902(c) of Regulation S) with respect to the Notes and each of the foregoing persons has complied and will comply with the offering restrictions requirements of Regulations S.

The Notes are being offered and sold outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

In addition, until forty (40) calendar days after the later of the commencement of the offering of any identifiable Tranche of Notes and the closing date, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer or any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person, is prohibited.

European Economic Area

If the Final Terms in respect to any Notes specify the "Prohibition of Sales to EEA Retail Investors" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

If the Final Terms in respect of any Notes specify the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to retail investors in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of these provisions:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or
- a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the Prospectus Regulation.

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

For the purposes of this provision, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one (1) year from the date of issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 as amended (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

If the Final Terms in respect of any Notes specify the "Prohibition of Sales to UK Retail Investors" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom.

If the Final Terms in respect of any Notes specify the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", in relation to the United Kingdom, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to retail investors in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of these provisions:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

- a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

- not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

For the purposes of this provision, the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended, as it forms part of UK domestic law by virtue of the EUWA.

France

In the case of Dematerialised Notes, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes to, qualified investors as defined in Article 2(e) of the Prospectus Regulation.

In the case of Materialised Bearer Notes, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes.

Belgium

In the case of Notes having a maturity of less than 12 months that qualify as money market instruments, this Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority (the "**Belgian FSMA**"). Accordingly, no action will be taken and the Dealers have represented and agreed that it shall refrain from taking any action that would require the publication of a prospectus pursuant to the Belgian law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to trading on a regulated market (the "**Belgian Prospectus Law**").

Materialised Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

This Base Prospectus has not been, and the applicable Final Terms will not be, approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**")) other than (i) to professional investors as defined in the SFO and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

People's Republic of China (PRC)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**") as part of the initial distribution of the Notes.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

Neither the issuer nor the Dealers represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer nor any Dealer which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Base Prospectus or any other document. Neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

(c) securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

    (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

    (ii) where no consideration is or will be given for the transfer;

    (iii) where the transfer is by operation of law;

    (iv) as specified in Section 276(7) of the SFA; or

    (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulation 2018 of Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy ("**Italy**"), except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Italian laws and regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"), CONSOB Regulation No.20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Any investor purchasing the Notes in this offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

General

These selling restrictions may be modified or supplemented by the agreement of the Issuer and the Dealers.

Save as stated herein, no action has been taken in any jurisdiction that would permit an offer to retail investors of any of the Notes. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be resold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such resale.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief after making reasonable enquiries) comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of the Issuer or any other Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France and the United States.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

[MIFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, as determined by the manufacturer(s), has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][1]

[2][**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), as determined by the manufacturer(s), has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][3]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS -** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU ("**MiFID II**")]/[MiFID II]; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors

1 To be included following completion of the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018

2 The legend may not be necessary if the managers in relation to the Notes are not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or where both are included.

3 To be included following completion of the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "Brexit our approach to EU non-legislative materials").

in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][4]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][5]

[**NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE (THE "**SFA**")** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations**"), the Issuer has determined the classification of the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).] [6]

PROHIBITION OF SALES TO CONSUMERS – Notes issued under the Programme are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, "consumers" (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended.

Final Terms dated [●]

[Logo, if document is printed]

SUEZ

Legal Entity Identifier (LEI): 5493007LKZ37MXEN5D79

(the "**Issuer**")

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]

Under the

4 Delete legend if the Notes do not constitute "packaged" products, in which case, insert "Not Applicable" in paragraph 9(v) of Part B below. Include legend if the Notes may constitute "packaged" products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert "Applicable" in paragraph 9(v) of Part B below.

5 Delete legend if the Notes do not constitute "packaged" products, in which case, insert "Not Applicable" in paragraph 9(vi) of Part B below. Include legend if the Notes may constitute "packaged" products and the issuer intends to prohibit the Notes being offered, sold or otherwise made available to UK retail investors. In this case insert "Applicable" in paragraph 9(vi) of Part B below.

6 For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Euro 7,500,000,000

Euro Medium Term Note Programme

for the issue of Notes

SERIES NO: [●]

TRANCHE NO: [●]

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 May 2022 which received approval no. 22-137 from the *Autorité des marchés financiers* (the "**AMF**") on 6 May 2022 [and the supplement to the Base Prospectus dated [●][7] which received approval no. **[●]** from the AMF on **[●]**] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all the information. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing on the website of the AMF (www.amf-france.org), on the Issuer's website (www.suez.com).

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

1.	Issuer:		Suez
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	[Date on which the Notes become fungible:	[Not Applicable/ The Notes will be assimilated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Issuer on [*insert date*] (the "**Existing Notes**") as from the date of assimilation which is expected to be on or about forty (40) calendar days after the Issue Date (the "**Assimilation Date**").]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]

[7] Delete if no supplement is published.

5.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only if applicable)*]
6.	Specified Denominations:	[●] (*one denomination only for the Dematerialised Notes*)
7.	(i) Issue Date:	[●]
	[(ii)] Interest Commencement Date:	[●] [*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:	[*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[EURIBOR/CMS Rate/CMS Spread] +/– [●] per cent. Floating Rate] [Fixed/Floating Rate Notes] [Zero Coupon] [Inflation linked interest] (*further particulars specified below*)
10.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.] / [As provided below for Inflation Linked Notes as the case may be]
11.	Change of Interest Basis:	[Not Applicable]/ [Applicable] [*Specify the date when any fixed to floating rate change occurs where applicable*]
12.	Put/Call Options:	[Not Applicable] [Put Option] [Call Option] [Make-Whole Redemption by the Issuer] [Clean-Up Call] [Put Option in case of Change of Control] [(*further particulars specified below*)]

13. (i)	Status of the Notes:	Unsubordinated
(ii)	[Date of corporate authorisations for issuance of Notes obtained:	[●] [and [●], respectively]]
		(*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Rate[(s)] of Interest:	[●] per cent. *per annum* payable in arrear on each Interest Payment Date]
(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [the Business Day Convention specified below[8]] [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "**Business Day**"]/*not adjusted]
(iii)	Fixed Coupon Amount[(s)][9]:	[●] per [●] in nominal amount
(iv)	Broken Amount(s):	[[●] payable on the Interest Payment Date falling [in/on] [●]]
(v)	Day Count Fraction (Condition 5(a)):	[Actual/365 – FBF / Actual/365 / Actual/Actual - ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360(ISDA)]
(vi)	Determination Dates (Condition 5(a)):	[●] in each year (*insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
(vii)	[Business Day Convention[10]	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]]
(viii)	[Party responsible for calculating Interest Amounts (if not the Calculation Agent)[11]	[●]/[Not Applicable]]

8 RMB Notes only.
9 Not applicable for RMB Notes.
10 RMB Notes only.
11 RMB Notes only.

15.	Floating Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●], in each year, subject to adjustment in accordance with the Business Day Convention
(iii)	First Interest Payment Date:	[●]
(iv)	Interest Period Date:	[Not Applicable]/[●]
(v)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(vi)	Business Centre(s) (Condition 5(a)):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/FBF Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[[●] *specify*/Not applicable]
(ix)	Screen Rate Determination (Condition 5(c)(iii)(C)):	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(A)	Reference Rate:	[EURIBOR/€STR/CMS Rate/see CMS combination formula below]
(B)	Observation Look-Back Period:	[[●] [TARGET Business Days]] / [●] / [Not Applicable]] (*only applicable in the case of €STR*)
(C)	Interest Determination Date(s):	[●] *[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day of each Interest Accrual Period/each Interest Payment Date]*
(D)	Relevant Screen Page:	[●]
(E)	CMS combination formula:	[**m** × CMS Rate [*specify maturity*] [+/-/×] **n** × CMS Rate [*specify maturity*]]/[Not Applicable]
(F)	m:	[Not Applicable / [●]]

		(*only applicable in the case of CMS combination formula*)
(G)	n:	[Not Applicable / [●]]
		(*only applicable in the case of CMS combination formula*)
(H)	Designated Maturity:	[●]
(I)	Specified Time:	[●]
(J)	Reference Currency:	[●]
(K)	Reference Bank	[[●] *specify four*/Not applicable]
(x)	FBF Determination (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(A)	Floating Rate:	[●]
(B)	Floating Rate Determination Date (*Date de Détermination du Taux Variable*):	[●]
		(N.B. the fall-back provisions applicable to FBF Determination under the Recueil de Taux – Additifs Techniques FBF are reliant upon the provisions by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)
(xi)	ISDA Determination (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
-	Floating Rate Option:	[●]
-	Designated Maturity:	[●]
-	Calculation Period:	[●]
-	Reset Date:	As per Condition 5(c)(iii)(B) / [●]
-	Fixing Day:	[●]
-	Effective Date:	Interest Commencement Date / [●]
-	Termination Date:	As per Condition 5(c)(iii)(B) / [●]

	- Delayed Payment:	[Applicable[: *specify applicable number of days] (if no number is specified, the applicable number of days shall be five (5) days)* / Not Applicable]
	- Compounding:	[Applicable / Not Applicable] (*Only applicable where the Floating Rate Option is an overnight rate*)
	- OIS Compounding:	[Applicable / Not Applicable]
	- Compounding with Lookback:	[Applicable / Not Applicable] Lookback: [●] (*If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5)*)
	- Compounding with Observation Period Shift:	[Applicable / Not Applicable] Observation Period Shift: [●] (*If no number is specified, and there is no default applicable to the Floating Rate Option, the default value will be five (5)*)
	- Set in Advance:	[Applicable / Not Applicable]
	- Observation Period Shift Additional business Days:	[●]
	- Compound with Lockout:	[Applicable / Not Applicable] Lockout Period Business Day: [*specify the relevant financial center(s)*] Lockout: [●] *(If no number is specified, and there is no default applicable to the Floating Rate Option, the default value of the Lockout will be five (5))*
	- 2021 ISDA Definitions Linear Interpolation:	[Applicable (*specify the Shorter Designated Maturity and the Longer Designated Maturity, each as defined in the 2021 ISDA Definitions*) / Not Applicable]
(xii)	Margin(s):	[+/-][●] per cent. *per annum* / [Not Applicable]
(xiii)	Minimum Rate of Interest:	[0.00 per cent.] / [[●] per cent. *per annum* (*such rate to be higher than 0.00 per cent.*)]
(xiv)	Maximum Rate of Interest:	[●] per cent. *per annum* / [Not Applicable]

(xv)	Day Count Fraction (Condition 5(a)):	[Actual/365 – FBF / Actual/365 / Actual/Actual – ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360(ISDA)]

16. Zero Coupon Notes provisions — [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i)	Amortisation Yield (Condition 6(g)(i)):	[●] per cent. *per annum*
(ii)	Day Count Fraction (Condition 5(a)):	[●]

17. Inflation Linked Notes Provisions — [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i)	Index:	[CPI/HICP/US CPI]
(ii)	Party, if any, responsible for calculating the interest due (if not the Calculation Agent):	[●]
(iii)	Interest Period(s):	[●]
(iv)	Interest Payment Dates:	[●]
(v)	Interest Determination Date(s):	[●]
(vi)	Base Reference:	[CPI/HICP/ US CPI] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: **[**●**]**)
(vii)	Rate of Interest:	[●] per cent. per annum multiplied by the Inflation Index Ratio
(viii)	Business Centre(s) (Condition 5(a)):	[●]
(ix)	Minimum Rate of Interest:	**[**0.00 per cent.**]** **/** **[**[●] per cent. per annum (*such rate to be higher than 0.00 per cent.*)**]**
(x)	Maximum Rate of Interest:	**[**Not Applicable**]**/[●] per cent. per annum
(xi)	Day Count Fraction (Condition 5(a)):	[Actual/365 – FBF / Actual/365 / Actual/Actual – ISDA / Actual/Actual – ICMA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360(ISDA)]
(xii)	[Reference month:	[●]]

(xiii)	[Spread:	[●]]
(xiv)	[Multiplier:	[●]]
(xv)	[Change in the US CPI:	[●]]

PROVISIONS RELATING TO REDEMPTION

18.	Call Option	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note:	[●] per Note [of [●] Specified Denomination][12]
(iii)	If redeemable in part:	
(A)	Minimum nominal amount to be redeemed:	[●]
(B)	Maximum nominal amount to be redeemed:	[●]
(iv)	Notice period:[13]	[●]
19.	Make-Whole Redemption by the Issuer	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Notice period[14]:	[●]
(ii)	Reference Security:	**[●]**
(iii)	Method of determination of the Make-whole Redemption Rate:	[Reference Dealer Quotation]/[Reference Screen Rate]
(iv)	Reference Screen Rate	[*specify*]/[Not Applicable]
(v)	Reference Dealers:	[Not Applicable][as per Condition 6(c)][●]
(vi)	Redemption Margin:	[●]

[12] Delete bracketed text in the case of Dematerialised Notes.

[13] If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its fiscal agent.

[14] If setting notice periods are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.

(vii) Make-Whole Calculation Agent:	[●]
20. Clean-Up Call Option:	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*)
Clean-Up Percentage	[75] per cent./ [●] per cent.
21. Put Option	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount(s) of each Note:	[●] per Note [of [●] Specified Denomination][15]
(iii) Notice period[16]:	[●]
22. Change of Control Put Option	[Applicable/Not Applicable]
23. Final Redemption Amount of each Note	[[●] per Note [of [●] Specified Denomination] /[As provided below for Inflation Linked Notes as the case may be]
24. Inflation Linked Notes – Provisions relating to the Final Redemption Amount	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i) Index:	[CPI/HICP/US CPI]
(ii) Final Redemption Amount in respect of Inflation Linked Notes:	[Condition 6(f) applies]
(iii) Base Reference:	[CPI/HICP/US CPI] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])
(iv) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]

15 Delete bracketed text in the case of Dematerialised Notes.

16 If setting notice periods are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.

25.	Early Redemption Amount	
(i)	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(h)) or for illegality (Condition 6(l)):	[●] per Note [of [●] Specified Denomination]
(ii)	Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(h)(i)):	[Yes/No]
(iii)	Unmatured Coupons to become void upon early redemption (*Materialised Bearer Notes only*) (Condition 7(f)):	[Yes/No/Not Applicable]
26.	Inflation Linked Notes – Provisions relating to the Early Redemption Amount:	**[**Applicable / Not Applicable**]** (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Index:	**[**CPI/HICP/ US CPI**]**
(ii)	Early Redemption Amount in respect of Inflation Linked Notes:	**[**Condition 6(g)(ii) applies**]**
(iii)	Base Reference:	**[**CPI/HICP/ US CPI**]** Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])
(iv)	Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):	**[●]**

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Form of Notes:	[Dematerialised Notes/Materialised Notes] (*Materialised Notes are only in bearer form and may only be issued outside France*). *[Delete as appropriate]*
(i)	Form of Dematerialised Notes:	[Not Applicable/*specify whether:* bearer dematerialised form (*au porteur*)/administered registered dematerialised form (*au nominatif administré*)/fully registered dematerialised form (*au nominatif pur*)]
(ii)	Registration Agent:	[Not Applicable/Applicable] [*if applicable give name and details] (note that a registration agent must be*

		appointed in relation to fully registered dematerialised Notes only)
	(iii) Temporary Global Certificate:	[Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "**Exchange Date**"), being forty (40) calendar days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] *(Only applicable to Materialised Notes)*
28.	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:	[Not Applicable/*give details.*] (*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(iii) and 18(vii) relates*)
29.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
30.	Redenomination provisions:	[Not Applicable/The provisions [in Condition 1(d)] apply]
31.	[Exclusion of the possibility to request identification information of Noteholders as provided by Condition 1(a)(i):	[Applicable] (*If the possibility to request identification information of the Noteholders as provided by Condition 1(a)(i) is contemplated, delete this paragraph*)]
32.	[Exclusion of the possibility of holding and reselling purchased Notes in accordance with applicable laws and regulations (Condition 6(i)):	[Applicable] (*If the possibility of holding and reselling purchased Notes in accordance with applicable laws and regulations in accordance with Condition 6(i) is contemplated, delete this paragraph*)]
33.	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)] apply]
34.	[Payment in Euro Equivalent instead of U.S. Dollar Equivalent in the case contemplated in Condition 7(i) for RMB Notes]	[Applicable/Not Applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.**]**

Signed on behalf of the Issuer:

By: ....

Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to Trading

(i)	Listing:	[Euronext Paris/other (*specify*)/None] / [Not Applicable]
(ii)	Admission to trading:	[Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)* [The [first / (specify)] Tranche(s) of the Notes are already admitted to trading on [●] as from [its/their respective] issue date.]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2. Ratings

Ratings:	[The Notes have not been rated] / [The Notes to be issued [are expected to be] / [have been] rated: [Moody's: [●]] [[Other]: [●]] *[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]* *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)* [[Each of [●], [●] and] [Moody's] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, as amended, although the result of such applications has not been determined.] [[Each of [●], [●] and] [Moody's] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website

(www.esma.europa.eu/supervision/credit-rating-agencies/risk).]

[[●], [●] and] [Moody's] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009 as amended [(the "**CRA Regulation**"), but is endorsed by [*insert credit rating agency's name*] which is established in the European Union, registered under the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (www.esma.europa.eu/supervision/credit-rating-agencies/risk)].].

[*Insert credit rating agency/ies*] [is/are] established in the UK and registered under Regulation (EU) No1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert credit rating agency/ies*] has been certified under Regulation (EU) No 1060/2009 (as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"))]

[[*Insert credit rating agency/ies*] has not been certified under (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation]

3. [Interests of Natural and Legal Persons Involved in the Issue

Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"] in the Base Prospectus [and save for the fees of [*insert relevant fee disclosure*] payable to the Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

4. Reasons for the Offer and Estimated Net Proceeds

[(i)	Reasons for the offer:	[[●] /General corporate purposes /Financing and/or refinancing [in whole or in part] the Eligible Green Projects described below: [*Describe specific Eligible Green Projects included in the Green Bond Framework and/or availability of Second Party Opinion and any relevant third party opinions and/or where the information can be obtained.*]] (*S*ee [“Use of Proceeds”] wording in the Base Prospectus – *if reasons for offer different from (i) what is disclosed in the Base Prospectus and/or (ii) financing and/or refinancing existing or future Eligible Green Projects described in the Green Bond Framework, give details*)]
[(ii)]	Estimated net proceeds:	[●] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

5. [*Fixed Rate Notes only* – Yield

Indication of yield:	[●] per cent. *per annum*]

6. [*Floating Rate Notes only* - Performance of Rates

Details of performance of [EURIBOR/CMS Rate/€STR] rates can be obtained [but not] free of charge from [Reuters / *give details of electronic means of obtaining the details of performance*].]

[Benchmarks:	Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the “**Benchmarks Regulation**”). [As far as the Issuer is aware, the transitional provisions in Article 51 of Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). [As at [●], [●] appears on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority in the United Kingdom.]].]

7. [*Inflation Linked Notes only* – Performance of Index and Other Information Concerning the Underlying

(i) Name of underlying index: [●]

(ii) Information about the index, its volatility and past and future performance can be obtained, [but not free of charge], from: [●]/ [*give details of electronic means of obtaining the details of volatility and performance*]: [●]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].]

8. Operational Information

ISIN:	[●]
Common Code:	[●]
Depositaries:	
(a) Euroclear France to act as Central Depositary:	[Yes/No]
(b) Common Depositary for Euroclear and Clearstream:	[Yes/No]
Any clearing system(s) other than Euroclear France, Euroclear Bank SA/NV and Clearstream Banking, SA and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●] producing a sum of:	[●]

9. Distribution

(i) Method of distribution:	[Syndicated]/[Non-syndicated]
(ii) If syndicated:	
(A) Names of Managers:	[Not Applicable/*give names of Managers*]
(B) Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iii) If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
(iv) U.S. Selling Restrictions:	Category 2 restrictions apply to the Notes

(v)	Prohibition of Sales to EEA Retail Investors:	[Not Applicable/ Applicable] (*If the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.*)
(vi)	Prohibition of Sales to UK Retail Investors:	[Not Applicable/ Applicable] (*If the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 as it forms part of UK domestic law by virtue of the EUWA, an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor.*)

GENERAL INFORMATION

(1) This Base Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus will be valid for a period of twelve (12) months until 6 May 2023 provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation and Article 18 of Commission Delegated Regulation (EU) 2019/979, as amended, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the Notes. After such date, the Base Prospectus will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply. Application will be made in certain circumstances to admit the Notes on Euronext Paris and application may be made for the listing and admission to trading on any other Regulated Market.

(2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment of the Programme.

Any issue of Notes under the Programme will be authorised by a resolution of its *Conseil d'administration* which may delegate its powers within one (1) year from the date of such authorisation to any person of its choice. For this purpose, the *Conseil d'administration* of the Issuer, on 4 May 2022, delegated its powers to issue up to €5,000,000,000 of notes to the Chief Executive Officer of the Issuer for a period of one (1) year (i.e., until 3 May 2023).

(3) Except as disclosed in this Base Prospectus in section "Description of the Issuer", there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2021.

(4) Except as disclosed in this Base Prospectus in section "Description of the Issuer", there has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2021.

(5) There has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of twelve (12) months immediately preceding the date of approval of this Base Prospectus which may have, or have had in the recent past, a significant effect on the Issuer's or the Group's financial position or profitability.

(6) The Notes have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and the International Securities Identification Number, in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking, 42 avenue JF Kennedy, L-1855 Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depositary). The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France.

(7) In connection with the issue and distribution of any Tranche (as defined in "General Description of the Programme") of Notes, the Dealer or the Dealers (if any) named as the stabilisation manager(s) (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

(8) Each Temporary Global Certificate will bear the following legend: "THIS TEMPORARY GLOBAL NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). NEITHER THIS GLOBAL NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE."

(9) Each Materialised Bearer Note, Coupon and Talon issued in compliance with the D Rules will bear the following legend: "ANY U.S. PERSON WHO HOLDS THIS NOTE WILL BE SUBJECT TO LIMITATIONS UNDER THE U.S. INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

(10) In relation to any Tranche of Fixed Rate Notes, the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date (as defined in the Final Terms) of the Notes and will not be an indication of future yield.

(11) Amounts payable under the Floating Rate Notes may be calculated by reference to one or more "benchmarks" for the purposes of the Benchmarks Regulation. In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation (the "**ESMA Benchmarks Register**"). In particular, EURIBOR is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Base Prospectus, EMMI appears on the ESMA Benchmarks Register.

(12) The website of the Issuer is www.suez.com. The information on such website does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

(13) All or some of the Dealers and, as the case may be, the calculation agent, and their affiliates have and/or may in the future engage, in lending, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group (as defined above). They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions. Hence, the Dealers for a Tranche of Notes may have interests differing from the Noteholder's interests with respect to the implementation of an issue of Notes. Potential conflicts of

interest may also arise between the calculation agent, if any, for a Series of Notes and the Noteholders (including where a Dealer acts as calculation agent), including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

Where there is a lending relationship between the Issuer and one or several Dealers, all or part of the proceeds of an issue of Notes may, or may not, potentially be used to repay or reimburse all or part of such loans. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

To the best of the Issuer's knowledge, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Suez
16 Place de l'Iris (Tour CB21)
92400 Courbevoie
France

on 6 May 2022
Duly represented by:
Sabrina Soussan, Chief Executive Officer of Suez

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Base Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Base Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Base Prospectus has been approved on 6 May 2022 and is valid until 6 May 2023 and shall, within this period and pursuant to the conditions set by Article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. The Base Prospectus has the following approval number: 22-137.

Issuer
Suez
16 Place de l'Iris (Tour CB21)
92400 Courbevoie
France

Arranger
Société Générale
29, boulevard Haussmann
75009 Paris
France

Dealers

Banco Bilbao Vizcaya Argentaria, S.A.
Calle Azul, 4
28050, Madrid
Spain

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar
28660, Boadilla del Monte
Madrid
Spain

Bank of China (Europe) S.A.
55 boulevard Royal
L – 2449
Luxembourg

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

CaixaBank, S.A.
Pintor Sorolla 2-4
46002 Valencia
Spain

Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Deutsche Bank Aktiengesellschaft
Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

ING Bank N.V., Belgian Branch
Avenue Marnix 24
1000 Brussels
Belgium

Intesa Sanpaolo S.p.A.
Divisione IMI
Corporate & Investment Banking
Via Manzoni 4
20121 Milan
Italy

La Banque Postale
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75275 Paris Cedex 06
France

Mediobanca - Banca di Credito
Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

Mizuho Securities Europe GmbH
Taunustor 1
60310 Frankfurt am Main
Germany

Morgan Stanley Europe SE
Gross Gallusstrasse, 18
60312 Frankfurt am Main
Germany

MUFG Securities (Europe) N.V.
World Trade Center
Tower H, Level 11th Floor
Zuidplein 98
1077 XV Amsterdam
The Netherlands

Natixis
30, avenue Pierre Mendès France
75013 Paris
France

NatWest Markets N.V.
Claude Debussylaan 94
Amsterdam 1082 MD
The Netherlands

RBC Capital Markets (Europe) GmbH
Taunusanlage 17
60325 Frankfurt am Main
Germany

SMBC Bank EU AG
Neue Mainzer Straße 52-58
60311 Frankfurt
Germany

Société Générale
29, boulevard Haussmann
75009 Paris
France

UniCredit Bank AG
Arabellastrasse 12
D-81925 Munich
Germany

Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent

Société Générale Luxembourg
11, avenue Emile Reuter
L-2420 Luxembourg
Luxembourg

Paying Agent and Registration Agent

Société Générale
32, rue du Champ de Tir
CS 30812
44308 Nantes Cedex 3
France

Auditors

Mazars
Tour Exaltis
61, rue Henri Régnault
92400 Courbevoie
France

Ernst & Young et Autres
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
France

Legal Advisers

To the Issuer

As to French law
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75001 Paris
France

To the Dealers

As to French law
Allen & Overy LLP
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75379 Paris Cedex 08
France