Suez S.A. consolidated financial statements for the year ended December 31, 2024

Audit procedures on the consolidated financial statements have been performed. The audit report will be issued once the auditors' reports on the financial statements of listed associates have been obtained.

1. Consolidated financial statements

1.1 Consolidated statement of financial position

(in millions of euros)	Note	December 31, 2024	December 31, 2023
Non-current assets			
Goodwill	8	4 574	4 542
Intangible assets	9	3 943	4 056
Property, plant and equipment	9	2 261	2 165
Right-of-use assets	10.1	701	553
Non-current financial assets	6.2	387	423
Investments in joint ventures and associates	11	2 738	2 604
Non-current contracts assets	5.3	56	49
Deferred tax assets	7.2	474	621
Non-current other assets	5.3	11	9
Total non-current assets		**15 145**	**15 021**
Current assets			
Current financial assets	6.2	301	152
Inventories	5.3	312	274
Trade and other receivables	5.3	3 035	3 125
Current contracts assets	5.3	313	296
Current tax assets	5.3	109	65
Cash and cash equivalents	6.2	1 282	1 204
Current other assets	5.3	844	711
Total current assets		**6 196**	**5 827**
Total assets		**21 341**	**20 848**
Shareholders' equity, Group share		5 797	5 892
Non-controlling interests	12.4	452	424
Total shareholders' equity		**6 249**	**6 316**
Non-current liabilities			
Non-currrent provisions	13	1 154	1 170
Non-current financial liabilities	6.2	6 362	6 080
Non-currrent contracts liabilities	5.3	164	221
Deferred tax liabilities	7.2	1 159	1 179
Non-currrent other liabilities	5.3	37	44
Total non-current liabilities		**8 877**	**8 693**
Current liabilities			
Current provisions	13	161	149
Current financial liabilities	6.2	390	302
Trade and other payables	5.3	2 375	2 193
Current contracts liabilities	5.3	589	572
Current tax payables	5.3	96	64
Current other liabilities	5.3	2 605	2 560
Total current liabilities		**6 216**	**5 839**
Total shareholders' equity and liabilities		**21 341**	**20 848**

1.2 Consolidated income statement

(in millions of euros)	Note	December 31, 2024	December 31, 2023
Revenues		9 189	8 880
Purchases		(2 247)	(2 311)
Personnel costs		(2 458)	(2 356)
Depreciation, amortization and provisions		(908)	(875)
Other operating expenses		(3 627)	(3 538)
Other operating income		178	209
Current operating income	5.1	**127**	**8**
Impairment on property, plant and equipment, intangible and financial assets		(27)	(18)
Restructuring costs		(52)	(71)
Scope effects		6	6
Gains and losses on disposals and other non-recurring items		(39)	(16)
Income from operating activities	5.2	**15**	**(90)**
Share in net income of equity-accounted companies		179	170
of which: share in net income (loss) of joint ventures	*11.1*	*48*	47
of which: share in net income (loss) of associates	*11.2*	*131*	124
Income from operating activities after share in net income of equity-accounted companies		**194**	**80**
Cost of net debt		(189)	(174)
Other financial income and expenses		16	25
Net financial income (loss)	*6.1*	**(173)**	(148)
Income tax expense	*7*	(196)	(50)
Net income (loss)		**(175)**	**(117)**
Net income (loss) - Group share		(211)	(146)
Net income (loss) - non-controlling interests		36	29

As of December 31, 2024, net income (loss) – Group share included €(163) million of PPA effects, net of taxes €(176) million for the net income (loss)) compared to €(165) million and €(178) million at December 31, 2023, respectively.

1.3 Consolidated statement of comprehensive income

(en millions d'euros)	December 31, 2024	December 31, 2024 of which Group share	December 31, 2024 of which Non controlling	December 31, 2023	December 31, 2023 of which Group share	December 31, 2023 of which Non controlling
Net income	**(175)**	**(211)**	**36**	**(117)**	**(146)**	**29**
Net investment hedge [(a)]	(14)	(14)	-	-	-	-
Cash flow hedges (excluding commodities) [(b)]	(29)	(29)	0	(21)	(21)	(0)
Commodities Cash flow hedges	0	0	-	(2)	(2)	-
Deferred taxes on items above	7	7	-	23	23	(0)
Translation adjustments [(c)]	174	169	5	(135)	(119)	(16)
Total reclassifiable items	**138**	**134**	**5**	**(134)**	**(118)**	**(16)**
Of which share of joint ventures in reclassifiable items, net of taxes	19	19	-	(33)	(33)	-
Of which share of associates in reclassifiable items, net of taxes	30	30	-	(56)	(56)	-
Actuarial gains and losses	(8)	(8)	-	(36)	(36)	0
Deferred taxes on actuarial gains and losses	2	2	-	10	10	-
Equity instrument	(6)	(6)	-	(4)	(4)	-
Deferred taxes on equity instrument	-	-	-	-	-	-
Total non-reclassifiable items	**(13)**	**(13)**	**-**	**(30)**	**(30)**	**0**
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	1	1	-	(4)	(4)	-
Other comprehensive income	**126**	**121**	**5**	**(164)**	**(148)**	**(16)**
Comprehensive income	**(50)**	**(90)**	**41**	**(281)**	**(294)**	**12**

(a) At the end of June 2024, the Group set up derivative instruments (cross-currency swaps) qualifying as net investment hedges, for a notional amount of €600 million, in order to hedge its equity interests held in China. The effective portion of these net investment hedges recognized in equity amounted to €(14) million.

(b) In connection with the bond refinancing operations carried out in 2022 and 2023, the Group used interest-rate hedging instruments with a deferred start date. Realized gains of €314 million were recognized in equity. They are recycled to the profit or loss over the life of the underlying bonds. As of December 31, 2024, the closing amount was €231 million.

(c) As of December 31, 2024, the €174 million in translation adjustments arose mainly from the pound sterling for €82 million, the Chinese yuan for €62 million and the Hong Kong dollar for €34 million. €As of December 2023, the €(135) million of translation differences arose mainly from the Chinese yuan €(97) million, the Hong Kong dollar €(50) million and the pound sterling €33 million.

1.4 Statement of changes in consolidated shareholders' equity

(in millions of euros)	Number of shares	Share capital	Premiums	Consolidated reserves	Change in fair value and Other	Translation adjustments	Shareholders' equity Group share	Non controlling interest	Total
Shareholders' equity at December 31, 2023	6 180 415 958	62	5 808	88	202	(267)	5 892	424	6 316
Net income				(211)			(211)	36	(175)
Other comprehensive income				(13)	(35)	169	121	5	126
Comprehensive income				**(224)**	**(35)**	**169**	**(90)**	**41**	**(50)**
Dividends distributed in cash approved [a]							-	(25)	(25)
Capital increase of July 5, 2024 [b]	500 000	-	-				-		-
Capital increase of July 19, 2024 [b]	175 926	-	-				-		-
Capital increase of July 20, 2024 [b]	998 976	-	-				-		-
Capital increase / (decrease) in non controlling interest [c]							-	5	5
Transactions betw een shareholders [d]				(9)			(9)	(9)	(17)
Business combinations [e]							-	17	17
Other changes				3			3	(1)	2
Shareholders' equity at December 31, 2024	6 182 090 860	62	5 808	(142)	167	(98)	5 797	452	6 249

(a) Dividend distributions to non-controlling interests were approved for an amount of €25 million.
(b) The capital increases are detailed in note 12.2.
(c) Capital increase subscribed by minority shareholders of €5 million, notably in the EnviroServ Group for €2 million, in Poland for €2 million, in Tunisia for €1 million and in China for €1 million.
(d) The Suez and Renault groups have strengthened their industrial partnership. This operation has had an impact on the ownership and control of several Recyclage et Valorisation entities in France (see Note 3.2). The impact at the end of December 2024 amounts to €(7) million in Shareholders' equity Group share and €(9) million in non-controlling interests. In China, in November, Suez subscribed to an additional 10% stake in an entity accounted for by the equity method, for an impact of €(1) million on Shareholders' equity Group share.
(e) In China, two entities previously accounted for by the equity method are now fully consolidated. The impact of the operation on minority interests amounts to €19 million. Additionally, in July 2024, the Group acquired an entity in Poland, with minority interests amounting to €(2) million.

(in millions of euros)	Number of shares	Share capital	Premiums	Consolidated reserves	Change in fair value and Other	Translation adjustments	Shareholders' equity Group share	Non controlling interest	Total
Shareholders' equity at December 31, 2022	6 177 872 266	62	6 112	(38)	201	(149)	6 189	424	6 613
Net income				(146)			(146)	29	(117)
Other comprehensive income				(30)	1	(119)	(148)	(16)	(164)
Comprehensive income				**(176)**	**1**	**(119)**	**(294)**	**12**	**(281)**
Dividends distributed in cash approved [a]							-	(23)	(23)
Capital increase of January 6, 2023 [b]	102 929 337	1	96				97		97
Employee share plan (reclassification as debt instruments) [b]	(102 929 337)	(1)	(96)				(97)		(97)
Capital increase of June 5, 2023 [c]	1 000 000	-	1				1		1
Capital increase of July 20, 2023	1 543 692	-	-				-		-
Allocation of prior year retained earnings			(62)	62			-		-
Allocation of net income 2022			(243)	243			-		-
Capital increase / (decrease) in non controlling interest							-	8	8
Transactions betw een shareholders [d]				(5)			(5)	1	(4)
Business combinations [e]							-	1	1
Other changes				1			1	0	1
Shareholders' equity at December 31, 2023	6 180 415 958	62	5 808	88	202	(267)	5 892	424	6 316

(a) Dividend distributions to non-controlling interests were approved for an amount of €23 million.
(b) On January 6, 2023, as part of the employee share ownership plan "Go Suez Classique" and "Go Suez Multiple" reserved for employees, a capital increase has been carried out through the issuance of ordinary shares for a total amount of €97 million (including share premium). These ordinary shares were considered as debt instruments and not as equity instruments, and therefore were not accounted for within the consolidated equity of the group.
(c) Completion on June 5, 2023, of a capital increase with elimination of preferential subscription rights for the benefit of the Chairman and CEO of the group, for an amount of €1 million, share premium included.
(d) Purchase of non-controlling interests of Scori; the amount presented corresponds to the difference between the price paid and the book value of these interests.
(e) Entry of non-controlling interests following an acquisition in the Czech Republic.

1.5 Consolidated statement of cash flows

(in millions of euros)	Note	December 31, 2024	December 31, 2023
Net income		**(175)**	**(117)**
Depreciation, amortization and provisions		931	875
Dividends received from joint ventures and associates		114	129
Share in net income (loss) of joint ventures		(48)	(47)
Share in net income (loss) of associates		(131)	(124)
Financial income	6.1	173	148
Scope effects, other gains and losses on disposal		(5)	6
Other items with no cash impact		4	(1)
Income tax expense	7	196	50
Cash flows from operations before financial income/(expense) and income tax		**1 058**	**919**
Tax paid including withholding tax on royalties		(91)	(108)
Change in working capital requirements	**5.3**	**121**	**20**
Cash flows from operating activities		**1 088**	**831**
Takeover of subsidiaries net of cash and cash equivalents acquired [(a)]	3.2	(3)	(496)
Acquisitions of interests in associates and joint-ventures	3.2	(31)	(9)
Acquisitions of equity instrument	3.2	(21)	(8)
Disposals of interests in associates and joint-ventures		(2)	10
Disposal of equity instrument		2	1
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold		(1)	33
Investments in property, plant and equipment and intangible assets	9	(598)	(511)
Disposals of property, plant and equipment and intangible assets		9	12
Financial interest received		55	37
Dividends received on non-current financial assets		1	3
Change in loans and financial receivables		(3)	(100)
Cash flows from investing activities		**(590)**	**(1 027)**
Employee stock option plan		-	97
Capital increase/ reduction of non controlling interests		6	9
Changes in interest in controlled entities		-	(14)
Dividends paid to non-controlling interests [(b)]		(48)	(45)
Increase in loans and financial debt	6.2.1	157	1 283
Repayment of lease liabilities	6.2.1	(184)	(177)
Repayment of borrowings and financial debts	6.2.1	(81)	(1 331)
Financial interest on lease liabilities	0	(18)	(6)
Financial interest paid		(259)	(217)
Flows on financial derivatives qualifying net investment hedges and compensation payments on financial derivatives	6.2.1	9	33
Cash flows from financing activities		**(419)**	**(368)**
Total cash flows for the period		**80**	**(562)**
Impact of changes in exchange rates and other		(2)	1
Opening cash and cash equivalents		**1 204**	**1 766**
Closing cash and cash equivalents		**1 282**	**1 204**

(a) As of December 31, 2023, this amount mainly corresponded to the payment of the price adjustment of €122 million and the earn-out of €284 million in respect of the acquisition of the new Suez completed in January 2022, the acquisition of Vissershok, as well as the acquisition of Devon Contract Waste and F&R Cawley Ltd in the United Kingdom.

(b) Including €28 million in dividends paid to minority shareholders in Asia and €9 million paid to minority shareholders in France as of December 31, 2024

2. Notes to the Consolidated Financial Statements

Note 1 Basis of presentation, principles, and accounting policies

1.1 Group presentation

Suez S.A. (formerly Sonate Bidco SA) was created on July 15, 2021, to allow the acquisition, from Veolia, of a set of activities of the former Suez group following the completion on January 18, 2022 of Veolia's takeover bid, the takeover of this perimeter having occurred on January 31, 2022. It is 97% owned by Suez Holding S.A.S. (formerly Sonate Topco S.A.S.), created on June 4, 2021, as part of the acquisition of the Suez activities sold by Veolia (whose shareholders are Meridiam Sustainable Water & Waste Fund – 40%, GIP IV Highbury Luxco – 40% and Caisse des Dépôts and CNP Assurances – 20%) and 3% by employees.

The Group activities, made of Suez S.A. and all its affiliates, are mainly structured around:

- Municipal water (Water France) and waste recycling and recovery (R&R France) in France;
- Water activities in the following geographies: Italy (including participation in Acea), Czech Republic, Africa, Central Asia, India, China, Australia, and Global Digital and Environmental (SES) activities;
- Waste activities in the United Kingdom, as well as hazardous waste activities in France and South Africa.

1.2 Basis of preparation

The consolidated financial statements of the Group as of December 31, 2024 (hereinafter referred to as "the financial statements") have been prepared in accordance with the historical cost convention, except for assets and liabilities acquired in business combinations, which are accounted for in accordance with IFRS 3, and financial instruments, which are accounted for following the treatment of different categories of financial assets and liabilities as defined by IFRS 9.

The financial statements are presented in millions of euros and rounded to the nearest hundred thousand euros. They were approved by the Board of Directors of Suez S.A. on April 16, 2025, and will be submitted for approval at the next shareholders' meeting.

1.3 Accounting framework

In accordance with Commission Regulation (EC) No 809/2004 of April 29, 2004 on prospectuses, financial information regarding the assets, financial position, and results of the Group is provided for the years 2024 and 2023 and is prepared in accordance with Regulation (EC) No 1606/2002 of July 19, 2002, on the application of international accounting standards (IFRS). The financial statements comply with IFRS standards issued by the IASB and adopted by the European Union.

The accounting policies applied by the Group in the financial statements are consistent with those adopted for the 2023 financial statements, except for IFRS standards and amendments that became mandatory from January 1, 2024, as presented below.

1.3.1 IFRS Standards and Amendments Applicable from January 2024, 1st

The IFRS standards and amendments applicable as of January 1, 2024, are as follow:

IFRS Standards	Impacts
Amendments to IFRS 16 - Lease liability in a sale and leaseback	These amendments have no impact on the Group.
Amendments to IAS 1 - Classification of liabilities as Current or Non-current and Non-current liabilities with covenants	The Group has borrowings with covenants as described in note 6.4.6.3 of the financial statements. As of December 31, 2024, none of these covenants was in default.
Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements	There is no reverse factoring within the Group, these amendments have no impact as of December 31, 2024.
IFRS IC decision - Disclosure of revenues and expenses for reportable segments (IFRS 8)	The Group presents segment information in accordance with the IFRIC IC decision.

1.3.2 IFRS Standards and Amendments Applicable after 2024 and Unanticipated

- Amendments to IAS 21 – Lack of exchangeability
- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7– Contracts referencing nature-dependent electricity
- Targeted amendments to IFRS (annual improvements)
- IFRS 18 – Presentation and disclosures in the financial statements

The analysis of the possible impact of these amendments is ongoing.

1.4 Use of estimates and judgment

The preparation of consolidated financial statements involves the consideration of estimates and assumptions by the Group's Management that may affect the carrying value of certain assets and liabilities, as well as revenues and expenses, and the information provided in the accompanying notes. The Group's Management regularly reviews these estimates and assumptions to ensure their relevance considering experience and current economic conditions. Depending on changes in these assumptions, the items in future financial statements could differ from current estimates. In addition to the use of estimates, the Group's Management exercises judgment to define and implement the appropriate accounting treatment for certain transactions and activities.

Significant estimates and judgments made by the Group when preparing the consolidated financial statements mainly relate to:

Note	Description	Estimates
3.2	Business combinations	***Fair value assessment of acquired assets and assumed liabilities in business combinations*** Key assumptions and estimates used to determine the fair value of acquired assets and assumed liabilities include notably market outlooks used to assess future cash flows as well as the discount rates to be applied. Values thus determined reflect management's best estimates.
4	Operating segments	Combinations of activities and entities to be carried out for the presentation of operating segments in relation to their economic characteristics and other criteria of IFRS 8.
5.1	Current operating income	***Assessment of Water activity revenue recorded but not metered, referred to as "Metered Revenue"*** The water activity revenue realized with customers subject to meter readings during the accounting period is estimated at the closing date based on historical data, consumption statistics, and sales price estimates. The Group has developed measurement and modeling tools that enable Water entities to estimate revenue with sufficient reliability, and to confirm retrospectively that the risk of error in estimating the quantities sold and the corresponding revenue can be considered not significant. ***Assessment of margins at completion for construction contracts*** Determining the margin at completion on construction contracts involves the use of significant estimates that rely notably on technical solutions, the project duration, and the inherent uncertainties in its execution. Management updates these estimates for the preparation of consolidated financial statements on a quarterly basis or more frequently in the event of a major development in the project progress. Any significant change in the evaluation of costs and revenues at completion results in an immediate adjustment to the recognized margin and modifies the future margin on the unperformed portion of the contract. ***Assessment of concession-related liabilities*** This item includes the obligation for renewal and refurbishment of facilities under concession contractss. These liabilities are determined based on an estimate of the replacement or refurbishment cost of the concession area's facilities (according to IFRIC 12 interpretation), adjusted annually with discount rates determined based on inflation. Expenses are calculated contract by contract by spreading the probable renewal and refurbishment expenses over the contract duration.
7	Income tax	***Assessment of deferred tax assets recognized for carryforward tax losses*** Deferred tax assets are recognized for carryforward tax losses when it is probable that entities will have future taxable profits against which these unused tax losses can be offset. This probability of future taxable profits is estimated by considering the existence of taxable temporary differences pertaining to the same tax entity and reversing in the same timeline, towards the same tax authority, as well as estimates of future taxable profits. These forecasts of taxable profits and the utilization of carryforward losses are determined based on profit projections prepared of the medium-term plan and additional projections when necessary.
8 9	Goodwill Intangible and tangible assets	***Assessment of the recoverable amount of goodwill, other intangible assets, and property, plant, and equipment*** Assumptions and estimates are made to determine the recoverable amount of goodwill and intangible and tangible assets, particularly focusing on market outlooks used to assess future cash flows and the discount rate to be applied. Any changes to these assumptions could have a significant effect on the amount of the recoverable amount and may result in impairment losses being recognized.
13	Provisions and contingent liabilities	***Assessment of provisions, including provisions for litigations, as well as site restoration provisions*** Parameters that have a significant influence on the amount of provisions include, in addition to the level of costs themselves, the timing of their occurrence and the discount rate applied to cash flows. These parameters are established based on the information and estimates that the Group considers most appropriate at the reporting date.

		At the reporting date, to the Group's knowledge, there is no indication that the parameters collectively chosen are not appropriate. Furthermore, there are no known developments that would significantly affect the estimated amounts of provisions.
14	Post-employment benefit obligations and other long-term benefits	***Assessment of post-employment and other long-term obligations*** The assessment of these obligations is based on actuarial calculations. The Group believes that the assumptions used at the reporting date to evaluate the obligations are appropriate and justified. However, any change in actuarial assumptions may have a material impact.

1.5 Climate risks

In its 2023-2027 Sustainable Development roadmap, SUEZ set targets aimed at reducing its greenhouse gas emissions and adapting to the physical and transition risks posed by climate change. These targets are essential to support its climate change mitigation and adaptation policies.

With regard to GHG emissions, the Group business activities directly impact climate change through its emissions generated primarily from water and waste management activities. SUEZ addresses climate change mitigation by committing to increase the share of renewable energy in its total consumption, to contribute to electricity self-sufficiency in Europe and to reduce its GHG emissions. In particular, with regard to renewable energy, SUEZ signed in 2024 its first two corporate photovoltaic Power Purchase Agreements. These agreements relate to power generated by ENGIE’s photovoltaic facilities located within SUEZ’s non-hazardous waste storage facilities in Gueltas (West of France) and Vémars, near Paris.

In addition, the Group has an ambitious innovation program to find the best solutions to mitigate these emissions thanks to carbon capture and sequestration technologies for which SUEZ will invest €40 million by 2027 in R&D programs dedicated to such technologies (of which € 3 million incurred in 2024).

Regarding physical risks posed by climate change, SUEZ analyzed all the activities which could be particularly vulnerable to physical risks such as extreme weather events and water scarcity. This approach ensures SUEZ address both acute physical risks, such as floods, and chronic risks like droughts and heatwaves, which are key vulnerabilities for its operations in sensitive geographies such as France, South Africa, Australia, and India. In addition to measures taken or planned to protect its critical infrastructure, physical risk adverse consequences are mitigated through the geographical footprint dispersion and, ultimately, the property damage insurance coverage.

The 2023-2027 Sustainable Development roadmap also addresses risks related to the transition to a lower-carbon economy, such as evolving regulations, market dynamics (mainly behavioral shifts expected to reduce waste generation and water consumption), and technology shifts, such as renewable energy production and carbon capture, utilization and storage. These risks may also generate significant business opportunities for the Group since it is well positioned on the development of new business models aimed at reducing the carbon tax for potential customers who may be affected, but also on digital solutions such as smart control systems for incinerators, and advanced digital tools in wastewater treatment.

While preparing the consolidated financial statements for the year ended December 31, 2024, the Group included climate-related risks and the estimated impacts of its roadmap when applicable. This concerns mostly future cash flow projections used for the impairment tests, where additional capital and operating expenditure (R&D expenditure, investments to address climate change vulnerabilities, action plans to reduce emissions, etc.) related to the Sustainable Development roadmap have been included in the business plans for those initiatives that have already been launched. Likewise, business developments such as carbon capture utilization and storage opportunities were included in the business plan when they have already turned into concrete projects.

There are no other impacts assessed by the Group that should affect the consolidated financial statements for 2024.

Overall, the inclusion of climate risks and their associated mitigation plans did not have a material impact on the consolidated financial statements of the Group in 2024.

Note 2 Major operations

2.1 Signing of a factoring agreement

In the first half of 2024, the Group implemented a factoring program and sold a first batch of trade receivables in June 2024 for a amount financed by the factor of €180 million. This program covers subsidiaries of the Recycling and Recovery BU in France.

The terms of this factoring contract provide that Suez assigns to BNP Paribas Factor, at a specified frequency, the balance of certain trade receivables.

After acceptance and payment of the receivables by the factor, Suez transfers to the factor all its rights, guaranteed actions and ancillary attached to the receivables. Suez also transfers the benefit of an insurance policy that covers the risk of non-payment of receivables by its customers. This is a non-recourse factoring contract.

Suez is responsible for recovering the factored receivables and the amounts collected are remitted to BNP Paribas Factor.

Since Suez transfers the contractual rights related to the cash flows and almost all the risks and rewards attached to the receivables assigned, this factoring program meets IFRS 9 requirements for Suez to derecognize these trade receivables in the statement of financial position when the cash is received.

Transfer of receivables are made at their nominal value, reduced by a discount that covers the cost of financing the receivables, the risk of late payment and the credit risk.

As of December 31, 2024, the net amount financed by the factor amounts to €137 million.

2.2 Power Purchase Agreement

Power Purchase Agreements (or "PPA") are medium and long-term renewable energy contracts that allow Suez to supply itself with green energy for its electricity consumption, at a stable and defined price. This green energy is reliable and certified, with these PPA contracts allowing the associated green energy certificates of origin to be obtained.

Suez Group has signed 6 effective PPA contracts from the 2024 financial year, representing a production volume of approximately 105 GWhs per year and for a period of between 10 and 20 years. The renewable energy used in these PPA contracts is solar energy. Photovoltaic solar power plants are in France: in the Grand Est, Centre Val-de-Loire, Ile-de-France and Brittany regions.

These first PPAs, for SUEZ, meet one of its climate objectives set out in its sustainable development roadmap: to increase the share of sustainable electricity in its electricity consumption to 70% by 2030 worldwide, and 100% in Europe.

	Number of contract	Type	Starting date	Average duration (years)	Production (GWh/year)	Accounting treatment
Quaero Capital	4	PPA	2023	10 years	64,7	Purchase Agreement
Engie Green	2	PPA	2024	20 years	40,6	Purchase Agreement
Total PPAs	**6**		**-**	**-**	**105,3**	

An analysis was conducted to determine the accounting treatment to be applied to each contract. All contracts are treated as traditional purchases (physical deliveries), as long as they benefit from the "own-use" exemption stipulated in IFRS 9.

2.3 Paid holidays and sick leaves

The DDADUE law published on April 24, 2024 aligned the French law with EU law and clarified the rights/obligations of employees and employers. In several judgments of September 13, 2023, the Court of Cassation had highlighted the non-compliance of French law with European Union law regarding the issue of the acquisition of paid leave rights for employees on sick leave. According to this case law of the Court of Cassation, all work stoppages, regardless of their origin or duration, gave the right to the acquisition of paid leave.

The DDADUE law now covers long-term work stoppages for non-professional reasons and provides for the applicable rules of postponement, prescription and foreclosure.

The amount recorded in this respect as a provision amounts to €6 million (compared to €5 million at December 31, 2023 following the decisions of the Court of Cassation).

2.4 Macroeconomic environment

The inflationary dynamics that began in previous years continued in 2024. The Group compensates for the impact through the adjustment/implementation of cost variation clauses and the implementation of hedging and production/sales contracts with regard to electricity-related costs.

Regarding electricity market prices in particular, they were marked by exceptional conditions in 2024, mainly linked to natural gas and carbon prices that remain very high.

As Suez is a consumer and producer of electricity, this major development has impacted the group:

- on its electricity purchases: electricity costs remained high in 2024, with all purchases covered during 2023 to protect the Group from short-term market developments. In 2024, Suez benefited from government energy subsidies with exceptional subsidies in France

- on its electricity sales: electricity revenues remained high in 2024 given the increase in market prices in 2023

It should be noted, however, that the Group has a net short position in electricity.

2.5 Consequences of the Chido cyclone in Mayotte

On December 14, 2024, the island of Mayotte was devastated by the Chido cyclone.

Suez is based in Mayotte where the Group is mainly involved in the treatment of household waste, with the management of the island's only landfill site, but also in the treatment of industrial waste, recycling, and treatment of hazardous products. Suez has 75 employees in Mayotte.

The extent of the damages, as well as the island's ability to restart essential services, is still uncertain. To date, the Group is not in a position to estimate the possible financial consequences related to the cyclone damages either from the point of view of the state of the facilities or the business continuity.

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Note 3 Consolidation scope

3.1 Accounting principles

Consolidation methods

The consolidation methods used by the Group are as follows:

- Companies over which the Group exercises exclusive control are consolidated using the full consolidation method.
- Joint ventures over which the Group exercises joint control are proportionally consolidated based on the Group's direct rights to assets and direct obligations to liabilities.
- Equity method is applied to:
    - Joint ventures over which the Group exercises joint control but has only a right to the net assets.
    - Associates in which the Group has significant influence.

Under this method, a specific line in the consolidated income statement titled "Share of profit of associates" reflects the Group's share of the net income of the associate consolidated using the equity method. The accounting principles applied by these companies comply with IFRS and are consistent with the Group's accounting principles.

The determination of the consolidation method is made on a case-by-case basis and relies on an analysis of control.

All internal transactions and positions are eliminated in the consolidated financial statements according to the specific procedures of each consolidation method.

The list of main companies included in the consolidation scope is presented in Note 18.

Foreign currency transactions and financial statements denominated in foreign currencies

The functional currency of an entity is the currency of the primary economic environment in which that entity operates. In most cases, the functional currency corresponds to the local currency.

Transactions in foreign currencies are converted into the functional currency at the exchange rate prevailing at the date of the transaction. At closing date:

- Monetary assets and liabilities denominated in foreign currencies are converted at the closing exchange rate. Exchange differences arising from this conversion are recognized in the income statement;
- Non-monetary assets and liabilities denominated in foreign currencies are recorded at the historical exchange rate prevailing at the transaction date.

Financial statements are converted into the presentation currency of the consolidated financial statements (in euros) using the exchange rate prevailing at the end of the reporting period. The profit and cash flows are converted based on the average exchange rates for the period. Differences resulting from the conversion of financial statements of consolidated companies are recorded as "translation adjustments" within "other comprehensive income".

Goodwill and fair value adjustments resulting from the acquisition of a foreign entity are considered assets and liabilities of the foreign entity. Therefore, they are expressed in the functional currency of the entity and converted at the exchange rate prevailing at the closing date.

Business combinations

Business combinations are accounted for according to the acquisition method. The implementation of this method involves the following steps:

- Identification of the acquirer.
- Determination of the acquisition date.
- Determination of the acquisition price transferred by the acquirer to the seller for the business combination.
- Identification, classification, and valuation of the acquired assets and assumed liabilities of the acquired entity.
- Evaluation of minority interests.
- Recognition and valuation of goodwill or gain resulting from a bargain purchase.
- Post-combination accounting.

At the acquisition date, goodwill corresponds to the sum of the consideration transferred (acquisition price) and non-controlling interests, net of the net amount recognized (usually at fair value) for identifiable acquired assets and assumed liabilities, and, if applicable, the revaluation to fair value of the previously held interest.

For each business combination, the revised IFRS 3 standard offers the choice between an evaluation of non-controlling interests:

- At fair value (i.e., with goodwill allocated to them, according to the "full goodwill" method); or
- At their proportionate interest in the fair value of the identifiable assets and liabilities of the acquired company (i.e., without goodwill allocated to non-controlling interests, according to the "partial goodwill" method).

The Group determines on a case-by-case basis the option it wishes to apply to account for non-controlling interests.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets held for sale and discontinued operations

IFRS 5 requires that assets held for sale be presented separately in the consolidated statement of financial position at the lower of their carrying amount and their fair value less costs to sell, provided that the criteria specified by the standard are met.

When the Group is engaged in a sale process involving the loss of control of a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale if the criteria of the standard are met, regardless of whether the Group retains a residual interest in the entity after the sale.

Furthermore, it requires that the results of discontinued operations be presented separately in the consolidated income statement retrospectively for all periods presented.

A discontinued operation is a component of an entity that has been disposed of or classified as held for sale and:

- Represents a major line of business or geographical area,
- Is part of a single coordinated plan to dispose of a major line of business or geographical area, or
- Is a subsidiary acquired exclusively for sale.

As of December 31, 2024, no assets and liabilities held for sale have been recognized in the accounts.

3.2 Scope changes

In 2024, the main scope changes are as follows:

- As a result of the change in the shareholders' agreements, Chengdu and Chongzhou are now consolidated using the full consolidation method;

- Disposals of Suez Brazil (Nova Olinda, Suez Brasil, DHPP and RCMEE) in May 2024 resulting in a capital loss of €11 million, and of Suez Chile (SerPrAm) in September 2024 resulting in a capital loss of €4 million;

- Takeover of 51% of SEG in February 2024, resulting in the revaluation of the company's previously held interest (49%), which generated a €4 million gain in profit or loss;

- Acquisition of ARA Cursus in July 2024;

- The Suez and Renault groups have entered into an industrial partnership through The Future is Neutral ("TFIN"), under which Suez contributes its 50% stake in Re-Sources Industries Holding to TFIN and injects additional cash into TFIN capital (€13 million). Following this transaction, the Suez Group:
  - holds an 18% stake in the capital of the TFIN group and its subsidiaries, granting Suez significant influence over TFIN,
  - acquired an additional 6% stake in the Boone Comenor – Metalimpex entity and,
  - partially sold 32% of its interest in RIH, generating a capital gain of €15 million.

Reconciliation of acquisition flows with the cash flow statement

The reconciliation between acquisition prices and the amounts presented in the consolidated statement of cash flows under investing activities is as follows:

(in millions of euros)	December 31, 2024
Acquisition price of shares acquired in 2024	(60)
Difference between price adjustements provisioned in 2023 and paid in 2024	(4)
Net cash position acquired	10
Acquisition price net of cash acquired	**(54)**
Cash Flow Statement :	
Takeover of subsidiaries net of cash and cash equivalents acquired	(3)
Acquisitions of interests in associates and joint-ventures	(31)
Acquisitions of equity instrument	(21)

Note 4 Operating segments information

To effectively implement the Group's strategy, which aims to refocus around its two core businesses, the organization of the Group evolved during the fiscal year 2023, and the internal reporting monitored by the Group's chief operating decision maker was updated accordingly.

In accordance with the provisions of IFRS 8 - Operating Segments, three operating segments grouping the activities of the various business units were retained to present the Group's segment information. They were identified based on the internal reporting notably followed by the Chief Executive Officer, a member of the Executive Committee, and considered as the Group's chief operating decision maker:

- *Water,*
- *Recycling and Recovery,*
- *Other activities.*

In accordance with the provisions of IFRS 8, the indicators presented correspond to those regularly provided to the chief operating decision maker via internal reporting, namely Revenue, EBITDA, EBIT, and Investments, as well as the information included in these indicators referred to in paragraph 23 of IFRS 8, namely Depreciation and amortization charges, and Share of net profit of joint ventures and associates.

4.1 Reportable segments

The Group is divided into the following sectors for reporting purposes:

- **Water**: provision of water distribution and treatment services, particularly under concession contracts (water management). These services are provided to individuals, local authorities, or industrial clients.
- **Recycling and Recovery**: service provision and waste treatment for local authorities and industrial clients. This includes collection, sorting, recycling, composting, energy recovery, and landfilling for both ordinary and hazardous waste.
- **Other activities**: Primarily consists of Digital Solutions and holdings, including Suez S.A.

The accounting methods and valuation techniques used for internal reporting are consistent with those used for the preparation of the consolidated financial statements. The EBITDA and EBIT indicators are reconciled to the consolidated financial statements.

4.2 Key indicators by reportable segment

4.2.1 Revenues

(in millions of euros)	December 31, 2024			December 31, 2023		
	External	Intragroup	Total	External	Intragroup	Total
Water [(a)]	3 416	49	3 466	3 400	47	3 469
Waste [(b)]	5 712	51	5 763	5 371	53	5 402
Other activities	60	189	250	109	189	297
Intragroup eliminations	-	(290)	(290)	-	(289)	(289)
Revenues	9 189	-	9 189	**8 880**	**-**	**8 880**

(a) including total revenue from the Water France business of €2,080 million in 2024 and €2,082 million in 2023.
(b) including total revenue generated by the R&R France activity of €3,357 million in 2024 and €3,129 million in 2023.
The above breakdowns are made on the basis of the geographical area of the sector management.

4.2.2 EBITDA

EBITDA by sector can be broken down as follows:

(en millions d'euros)	December 31, 2024				December 31, 2023			
	Water	Waste	Other activities	Total	Water	Waste	Other activities	Total
Revenues	3 416	5 712	60	**9 189**	3 400	5 371	109	**8 880**
Purchases	(723)	(1 488)	(35)	**(2 247)**	(829)	(1 442)	(40)	**(2 311)**
Personnel costs	(990)	(1 223)	(245)	**(2 458)**	(981)	(1 128)	(247)	**(2 356)**
(-) Share-based payments	-	-	*32*	*32*	*(0)*	-	*28*	*28*
Depreciation, amortization and provisions	(338)	(437)	(134)	**(908)**	(339)	(437)	(99)	**(875)**
Other operating expenses	(1 315)	(2 386)	72	**(3 627)**	(1 315)	(2 294)	69	**(3 538)**
(-) Net cash outflows from concessions	*188*	*130*	-	*319*	*175*	*132*	-	*306*
Other operating income	58	83	37	**178**	44	109	56	**209**
(+) Share in net income of equity-accounted companies	*167*	*18*	*(6)*	*179*	148	22	(1)	**170**
EBITDA	801	846	(84)	1 563	**643**	**770**	**(27)**	**1 386**
of which PPA effects	*(10)*	*(3)*	-	***(13)***	*(11)*	*(4)*	-	***(15)***

4.2.3 Share in net income of equity-accounted companies

(in millions of euros)	December 31, 2024	December 31, 2023
Water	167	148
Waste	18	22
Other activities	(6)	(1)
Share in net income of equity accounted companies	179	170

4.2.4 EBIT

The reconciliation between EBIT and Current operating income is as follows:

(in millions of euros)	December 31, 2024	December 31, 2023
Current operating income	**127**	**8**
(+) Share in net income of equity-accounted companies	179	170
(-) Others	(2)	(2)
EBIT	304	177

EBIT by sector can be broken down as follows:

(in millions of euros)	December 31, 2024	*of which PPA*	December 31, 2023	*of which PPA*
Water	261	*(120)*	175	*(123)*
Waste	268	*(97)*	206	*(92)*
Other activities	(224)	*(11)*	(204)	*(13)*
EBIT	304	(228)	177	(229)

4.2.5 Depreciation and amorization

(in millions of euros)	December 31, 2024	*of which PPA*	December 31, 2023	*of which PPA*
Water	(343)	*(110)*	(349)	*(112)*
Waste	(453)	*(96)*	(428)	*(88)*
Other activities	(128)	*(11)*	(95)	*(13)*
Depreciation and amortization	**(923)**	**(218)**	**(872)**	**(214)**

4.2.6 Investments

(in millions of euros)	December 31, 2024	December 31, 2023
Water	(162)	(179)
Waste	(362)	(288)
Other activities	(74)	(44)
Capital expenditures	**(598)**	**(511)**
of which maintenance CAPEX	*(278)*	*(271)*
of which growth CAPEX	*(319)*	*(240)*

4.3 Revenue by geographical area

Revenue presented below is broken down by destination.

(in millions of euros)	December 31, 2024	December 31, 2024
France	5 467	5 265
Rest of Europe	1 417	1 221
United Kingdom	792	917
Asia	577	598
Rest of the world	937	879
Revenues	**9 189**	**8 880**

Note 5 Operating activities

5.1 Current operating income

The main activities of the Suez Group include:

- *Water management: production and distribution of drinking water, wastewater treatment, modernization of water treatment facilities, construction of seawater desalination plants, methanization of sludge from wastewater treatment.*
- *Waste recycling and recovery: collection and treatment of waste through recycling of materials, transformation of waste into resources and energy recovery, treatment of hazardous waste.*

The Group serves a wide range of customers, including public authorities, industrial and service companies and private individuals.

The variety of business models implemented by the Group is reflected into diverse contractual forms, specific to the considered businesses, adapted to local jurisdictions and the nature and needs of customers.

The Group conducts its business mainly through concession contracts, contracts for the provision of services or the sale of goods, and construction contracts (excluding concessions), whether or not followed by operating contracts.

Revenue corresponds to income from contracts signed with customers. It is calculated and recorded using the principles of IFRS 15.

Concession contracts (IFRIC 12)

A significant portion of the activities in the Water and Recycling and Recovery sectors are carried out under concession contracts, in particular to operate drinking water production and distribution, wastewater treatment or waste incineration facilities.

A concession contract falls within the scope of IFRIC 12 when the infrastructure is controlled by the grantor. The control of the infrastructure by the grantor is ensured when the following two conditions are met:

- *the grantor controls or regulates the public service to be provided by the infrastructure subject to the concession and determines to whom and at what price they must 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 back the infrastructure at the end of the contract.*

The IFRIC 12 interpretation applies within the framework of IFRS 15, i.e. the services provided by the concession operator under the concession contract must be recognized and measured in accordance with the provisions of IFRS 15. Concession contracts generally include two performance obligations:

- *the construction service includes the creation of new infrastructure, the extension or improvement of existing infrastructure, financed by the concession operator, and which make it possible to create future economic benefits. Revenue from the construction service is recognized in all cases using the percentage of completion method, since the infrastructure is built on the client's site. The client (grantor) thus takes control of the infrastructure as it is built. The input method (cost) is generally used for measuring progress. The accounting counterpart of the revenue is a contract asset (see Note 5.3.3), as long as construction is in progress. On the date of commissioning, the contract asset is reclassified, depending on how the Group is remunerated for this service.*

• *Thus:*

  - *the asset becomes a receivable, i.e. a financial asset, when Suez obtains the unconditional right to receive a predetermined amount of cash, either directly from the grantor, or indirectly through guarantees given by the grantor on the amount received from users of the public service (via, for example, a contractually guaranteed Internal Rate of Return). The receivable contains a significant financing component within the meaning of IFRS 15 since the customer pays over several years for a service already provided by Suez. This accounting model, known as the financial receivable model, applies in particular to BOT (Build Operate Transfer) contracts signed with local authorities and relating to public services (water treatment, household waste incineration),*
  - *When Suez does not obtain an unconditional right to receive a predetermined amount of cash, but simply a right to invoice users of the public service, then the asset becomes an intangible asset (Suez is paid in substance by the user) (see Note 9.1). This model, known as the intangible asset model, corresponds to the majority of the Group's concession contracts,*
  - *finally, when Suez obtains in return for the construction service, on the one hand an unconditional right to receive cash, and on the other hand a right to invoice users, then the counterpart of the turnover is a financial asset up to the unconditional right to receive cash, and an intangible asset for the residual amount. This scheme corresponds to the "mixed" model and concerns certain waste recovery contracts in France and the United Kingdom where customers are committed to partially saturate the capacities of the plants.*

- *the operating service includes the day-to-day operation of the infrastructure, the performance of the operating service for the customer (distribution of drinking water; waste treatment, etc.) and the performance of identical renewal expenses which allow the installations to be maintained in their current state.*

The amounts received from the customer under the concession contract are apportioned between remuneration for construction services on the one hand, and remuneration for operating services on the other hand, in accordance with the terms of IFRS 15 and IFRIC 12:

- *in the financial receivable model, the amounts received from the customer as remuneration for the construction service are recognized partly as interest income in revenue, and partly as repayment of the principal of the receivable; the amount received as remuneration for the operating service is recorded in revenue;*
- *in the intangible asset model, the intangible asset is amortized over the term of the concession contract. All amounts received from the customer (users) are fully recognized in revenue, as the services are rendered.*

Fixed assets received free of charge from the grantor, as part of infrastructure to which the concessionaire is given access for the purposes of the service agreement, which cannot be transferred and are returned free of charge to the grantor at the end of the contract, are not recorded in the statement of financial position.

The Group may be liable for payments to the grantor in certain cases. If these payments are not made in particular in exchange for goods or services distinct from the concession agreement, these payments constitute, in accordance with IFRIC 12:

- *a reduction in the selling price of the infrastructure, recognized as a reduction in revenue, when the consideration for the construction service is a financial asset;*
- *an increase in the intangible asset when the consideration for the construction service is an intangible asset, and the payments to the grantor are fixed; the amount of this increase in the intangible asset corresponds to 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.*

Within the Group, payments meeting this definition exist mainly within concession contracts covered by the intangible model in Central Europe.

Renewal expenses correspond to contractual obligations, the terms of which may differ (contractual restoration obligation, contractual renewal plan, contractual monitoring account, etc.).

They are recognized either as assets in the statement of financial position as an intangible asset or financial asset depending on the model applicable to the contract if they generate future economic benefits (enhancing renewal), or as an expense in the opposite case (identical renewal). Identical renewal expenses are recognized as an asset (only when this compensation is contractually provided for) or as a liability for renewal when, at a given date, there is a time lag between the contractual commitment and its completion.

The amounts are calculated by contract based on the obligations of each contract.

Operating contracts, provision of services and sale of goods

Water

Revenue is recorded on the basis of the volumes delivered to the customer in the water distribution business, whether these volumes have given rise to specific invoicing ("statement") or whether they have been estimated based on the performance of the supply networks. Revenue corresponds to the volumes delivered multiplied by a rate per m³ (see Note 1.4).

Regarding the wastewater services and wastewater treatment, the price of the service is either included in the water distribution bill or is invoiced specifically to the local authority or industrial customer.

Recycling and Recovery

Revenue is recorded:

- *based on the tonnages collected and the service provided by the Group, in the waste collection business;*
- *based on the volumes of waste processed and the additional income from waste recovery, in incineration (sale of heat and power in particular) and sorting (sale of raw materials – paper, cardboard, glass, metals, plastics).*

The Group only recognizes the variable portion of revenue, based on the degree of achievement of contractual targets (bonuses or penalties), if it is highly probable that there will be no significant downward adjustment in future accounting periods. The Group recognizes its revenue when control of the goods or services promised to the customer is transferred, which occurs either upon delivery (i.e. when control is transferred to the buyer) or continuously (services and construction activity recognized on a progress basis), within the framework of often long-term contracts.

The Group only recognizes revenues generated by its co-contracting parties as main operator if:

- *it bears the main responsibility in managing and completing the overall service.*
- *it made a significant effort to integrate various work carried out by co-contracting parties; and*
- *it made significant efforts in technical supervision so the Group could take total control of the goods or services carried out before transferring control over to the customer*

Engineering contracts, construction contracts with or without operation/maintenance

When a contract includes both a construction service and an operation service, two performance obligations are distinguished. The overall revenue related to the contract is then split between construction and operation services, in accordance with the terms of IFRS 15.

Revenue is recognized, based on the progress of costs, in the engineering, construction and equipment sales activities.

When it is probable that the total unavoidable direct costs of the contract will be greater than the total economic benefits expected to be received from the contract, the Group immediately recognizes a loss on completion as an expense for the period. Any losses on completion are calculated at the contract level by applying IAS 37 and not for each performance obligation. Partial payments received from customers before the corresponding work has been performed are recognized as advances and down payments received in contract liabilities.

The positive difference between the cumulative amount of revenue recognized and interim billings is recorded as "amount due from customers under construction contracts" in contract assets. If it is negative, this difference is recognized as "amount due to customers under construction contracts" in contract liabilities.

The Group recognizes under assets on the statement of financial position all significant marginal costs to obtain contracts signed with customers where costs were incurred after the date on which the Group was almost certain to be *granted contracts and recoverability is ensured. These marginal costs are the costs that Suez incurs to obtain a contract with a customer and that the Group would not have incurred if it had not obtained the contract (e.g., commissions paid to sales professionals when new contracts are being entered).*

The Group also recognizes as assets in the statement of financial position costs to fulfill a contract, when these costs:

- *are directly linked to a specific contract (direct labor costs, costs contractually re-invoiced to the customer, raw material costs);*
- *provide the Group with new or increased resources that will be used to satisfy, or continue to satisfy, a performance obligation in the future;*
- *and it expects to recover these costs.*

Assets thus recognized on costs of obtaining and executing contracts are then amortized in profit or loss as the services are performed for the customer and are thus included in current operating income.

5.1.1 Revenues

The following table shows Group's revenues per category:

(in millions of euros)	December 31, 2024	December 31, 2023
Water	2 772	2 694
Recycling and Recovery	5 700	5 357
Construction contracts, equipment sales, engineering and other services	718	829
TOTAL	9 189	8 880

Revenues by operating segment and geographical area are presented in Note 4.

5.1.2 Personnel costs

(in millions of euros)	December 31, 2024	December 31, 2023
Short-term benefits	(2 418)	(2 321)
Share-based payments or by cash payment	(32)	(28)
Post-employment benefit obligations and other long-term benefits	(9)	(8)
TOTAL	(2 458)	(2 356)

Short-term benefits correspond to salaries and expenses recognised during the period.

Share-based payments are broken down in Note 15. Post-employment benefit obligations and other long-term benefits are disclosed in Note 14. The amount presented above corresponds to defined-benefit plan expenses (see Note 14.2) and to defined-contribution plan expenses (see Note 14.3).

5.1.3 Amortization, depreciation, and provisions

The amounts shown below are net of reversals.

(in millions of euros)	December 31, 2024	December 31, 2023
Amortization	(924)	(872)
of which PPA-related amortization	*(218)*	*(214)*
Depreciation of inventories, trade receivables and other assets	(3)	(8)
Net change in provisions [(a)]	18	5
TOTAL	(908)	(875)

(a) Excluding post-employment benefit obligations presented in Note 13.1.

Amortization for the year, amounting to €923 million compared with €872 million in 2023. This variation is mainly explained by the increase in amortization of rights of use for €16 million, as well as the first consolidation of Cawleys and Devon entities in the UK at the end of 2023 with the impact of a full year of depreciation in 2024 compared to one month in 2023 (€10 million)

Amortization includes €218 million for the amortization of assets recognised and/or revalued as part of the purchase price allocation exercises for the acquisition of:

- New Suez for €169 million, compared with €172 million in 2023,
- IWS for €13 million, compared with €13 million in 2023,
- Suez R&R UK for €30 million, compared with €26 million in 2023, the variation arising from the purchase price allocation of Devon and Cawleys,
- Enviroserv for €6 million, compared with €2 million in 2023, the variation coming from the purchase price allocation of Vissershok.

Amortization can be broken down as follows:

- €335 million for tangible fixed assets (of which €45 million for revaluations of tangible assets),
- €386 million for intangible assets (of which €170 million on customer relationships and patents/technologies identified during purchase price allocation exercises)
- and €199 million for rights of use (of which €2 million on the amortization of rights of use recognized as part of purchase price allocations).

The breakdown by nature of asset is presented in Notes 9 and 10.

5.1.4 Other operating income and expenses

Other operating income and expenses include the following amounts:

(in millions of euros)	December 31, 2024 Value	% Revenue	December 31, 2023 Value	% Revenue
Other operating income	**178**	***2%***	**209**	***2%***
Other operating expenses	**(3 627)**	***(39%)***	**(3 538)**	***(40%)***
Sub-contracting	(1 543)	*(17%)*	(1 418)	*(16%)*
Taxes excluding corporate income tax	(436)	*(5%)*	(405)	*(5%)*
Maintenance expenditures	(484)	*(5%)*	(504)	*(6%)*
Concession renewal costs	(319)	*(3%)*	(306)	*(3%)*
External staff	(165)	*(2%)*	(162)	*(2%)*
Rental costs	(138)	*(1%)*	(132)	*(1%)*
Costs of buildings	(174)	*(2%)*	(111)	*(1%)*
Insurance costs	(94)	*(1%)*	(91)	*(1%)*
Transport costs	(107)	*(1%)*	(91)	*(1%)*
Bad debts losses	(37)	*0%*	(29)	*0%*
Other expenses	(133)	*(1%)*	(288)	*(3%)*
TOTAL	(3 449)	*(38%)*	(3 329)	*(37%)*

5.2 Other operating income and expense

Income from operating activities is calculated by including the following unusual, abnormal, or infrequent items in current operating income:

- *impairment losses on assets: this item includes impairment losses on goodwill, intangible assets, property, plant and equipment, investments in associates and equity instruments.*
- *restructuring costs: these are costs incurred in connection with a program planned and controlled by management, which significantly changes either the scope of the company's activities, or the way in which these activities are managed, in accordance with the criteria set out by IAS 37.*
- *changes in scope of consolidation. This line includes :*
  - *direct acquisition costs in the event of a takeover,*
  - *the effects of revaluation, at fair value on the acquisition date, of previously held interests in the case of step acquisitions,*
  - *subsequent changes in the fair value of earn-out amounts,*
  - *gains and losses on disposals of interests leading to a change in consolidation method, and any revaluation effects on retained interests.*
- *Gains and losses on disposals and other non-recurring items: this item includes capital gains and losses on disposals of non-current assets and equity instruments.*
- *other material non-recurring transactions.*

Other operating income and expense include:

(in millions of euros)	Note	December 31, 2024	December 31, 2023
Current operating income		**127**	**8**
Impairment on property, plant and equipment, intangible and financial assets	5.2.1	(27)	(18)
Restructuring costs	5.2.2	(52)	(71)
Scope effects	5.2.3	6	6
Gains and losses on disposals and other non-recurring items	5.2.4	(39)	(16)
Income from operating activities		**15**	**(90)**

5.2.1 Impairment on property, plant and equipment, intangible and financial assets

(in millions of euros)	December 31, 2024	December 31, 2023
Impairments		
Property, plant and equipment and other intangible assets	(21)	(12)
Rights of use	(2)	(1)
Financial assets	(3)	(11)
Total	**(25)**	**(24)**
Write-back of impairments		
Property, plant and equipment and other intangible assets	(9)	3
Rights of use	-	2
Financial assets	8	2
Total	**(1)**	**6**
Total	(27)	(18)

As of December 31, 2024, impairment losses on property, plant and equipment, intangible and financial assets amounted to €27 million, mainly corresponding to the impairment of three Recycling and Recovery sites in France for €14 million, a site in Shanghai for €4 million, non-consolidated investments in R&R France for €2 million and one site in the United Kingdom for €2 million.

As of December 31, 2023, impairment losses on tangible, intangible and financial assets amounted to €(18) million, corresponding mainly to losses on contracts in the United Kingdom for €13 million, and to the recapitalization of Inflowmatix for €3 million.

5.2.2 Restructuring costs

(in millions of euros)	December 31, 2024	December 31, 2023
Cash restructuring costs	(54)	(65)
Net variation of restructuring provisions	2	(5)
Total	(52)	(71)

In 2024, restructuring costs amounted to €(52) million, corresponding mainly to

- severance costs and site closures for €(26) million mainly in France and China and;
- transformation costs for €(19) million.

In 2023, restructuring charges of €(71) million corresponded to severance costs and site closure costs for €(34) million, and transformation costs for €(29) million, including €(10) million related to integration activities of New Suez.

5.2.3 Scope effects

In 2024, scope effects are an income of €6 million. This mainly corresponds to transactions related to the partnership with Renault for an amount of €15 million, the disposals of Suez Brazil and Suez Chile for €(16) million, the acquisition of a company in France for €4 million, and the sale of a subsidiary in China for €4 million.

In 2023, the impact of changes in the scope of consolidation also amounted to €6 million. This mainly corresponded to the net gain on disposals during the year, including Latis Scentific and DETS for €7 million.

5.2.4 Gains and losses on disposals and other non-recurring items

(in millions of euros)	December 31, 2024	December 31, 2023
Disposals of property, plant and equipment and intangible assets	(3)	(10)
Disposals of shares	(2)	(2)
Other	(34)	(3)
Total	(39)	(16)

In 2024, capital losses mainly correspond to the write-off of water meters at Suez Eau France for €(6) million. Other non-recurring items include the effects of a commercial dispute for €(17) million and SaaS project implementation costs for €(14) million.

As of December 31, 2023, gains on disposals corresponded mainly to the scrapping of water meters at Suez Eau France for €(12) million. Other non-recurring items corresponded mainly to the costs of the Go Suez plan for €(3) million.

5.3 Net Working Capital

5.3.1 Net working capital evolution

The tables below detail the evolution of the net working capital requirement during the years 2024 and 2023, and the reconciliation with the change in working capital requirement presented in the consolidated statement of cash flows.

(in millions of euros)		December 31, 2023	Business-related movements	Scope and forex impacts	Other movements	December 31, 2024
Inventories	(+)	274	36	3	(1)	312
Trade and other receivables	(+)	3 125	(132)	25	17	3 035
Current contracts assets	(+)	296	0	-	16	313
Current tax assets	(+)	65	39	0	4	109
Other current assets	(+)	711	114	(5)	24	844
Non-current contracts assets	(+)	49	8	-	0	56
Other non-current assets	(+)	9	0	-	2	11
Trade and other payables	(-)	2 193	150	16	16	2 375
Current contracts liabilities	(-)	572	1	-	17	589
Current tax payables	(-)	64	28	(0)	3	96
Other current liabilities	(-)	2 560	14	4	26	2 605
Non-currrent contracts liabilities	(-)	221	4	-	(61)	164
Other non-current liabilities	(-)	44	(7)	-	0	37
		-	-	-	-	-
Net working capital		(1 125)	(126)	5	61	(1 185)
Reclassification of payables on acquisition			66			
Reclassification of concession assets and liabilities			(25)			
Reclassification of current tax assets and payables			(10)			
Reclassification of dividends to be received and to be paid			(11)			
Reclassification of derivative instruments related to net working capital			0			
Other non significant adjustments			(14)			
			-			
Change in working capital requirements in the consolidated cashflow statement			(121)			

(en millions d'euros)		December 31, 2022	Business-related movements	Scope and forex impacts	Other movements	December 31, 2023
Inventories	(+)	262	12	(1)	0	274
Trade and other receivables	(+)	2 840	251	31	2	3 125
Current contracts assets	(+)	275	21	(5)	5	296
Current tax assets	(+)	77	(11)	(0)	(0)	65
Other current assets	(+)	792	54	4	(138)	711
Non-current contracts assets	(+)	51	(4)	0	2	49
Other non-current assets	(+)	14	(1)	0	(4)	9
Trade and other payables	(-)	2 437	(216)	19	(48)	2 193
Current contracts liabilities	(-)	539	26	(2)	9	572
Current tax payables	(-)	104	(37)	-	(2)	64
Other current liabilities	(-)	2 468	112	6	(26)	2 560
Non-currrent contracts liabilities	(-)	94	98	(4)	33	221
Other non-current liabilities	(-)	56	(10)	(0)	(2)	44
Net working capital		(1 388)	351	11	(98)	(1 125)
Reclassification of payables on acquisition			(406)			
Reclassification of concession assets and liabilities			90			
Reclassification of current tax assets and payables			(27)			
Reclassification of dividends to be received and to be paid			(31)			
Reclassification of derivative instruments related to net working capital			(0)			
Other non significant adjustments			4			
Change in working capital requirements in the consolidated cashflow statement			(20)			

5.3.2 Trade and other receivables

Upon initial recognition, trade receivables are recognized at their fair value, which in most cases corresponds to their nominal value. The Group has developed an impairment approach by type of assets for counterparty risk (see Note 6.3). Risk of non-recovery matrices have been established by homogeneous category of customers, adapted to their local environments, considering the default rates observed in the recent past on receivables with similar credit risk profiles. Matrices are updated at least once a year. These matrices are used to calculate the impairment of trade receivables and other debtors.

The gross values of the receivables are transferred to losses on irrecoverable debts in the income statement when remedies available to the Group are exhausted to recover these assets. Accumulated impairment amounts on those receivables are then reversed in the income statement.

The evolution of trade and other receivables in 2024 and 2023 is as follows:

(in millions of euros)	December 31, 2023	Business-related movements	Scope and forex impacts	Other movements	December 31, 2024
Trade receivables	3 126	(28)	27	15	3 141
Others	59	17	2	-	77
Gross trade and other receivables	3 185 -	11	29	15	3 218
Depreciation of trade and other receivables	(60)	(121)	(3)	2	(183)
Trade and other receivables	3 125	(132)	25	17	3 035

(in millions of euros)	December 31, 2022 restated	Business-related movements	Scope and forex impacts	Other movements	December 31, 2023
Trade receivables	2 839	253	32	2	3 126
Others	64	6	(1)	(11)	59
Gross trade and other receivables	- 2 903	259	31	(9)	3 185
Depreciation of trade and other receivables	(63)	(8)	(0)	11	(60)
Trade and other receivables	- 2 840	251	31	2	3 125

The outstanding gross amount of past due trade and other receivables is analyzed below:

Trade and other receivables	Past due not depreciated assets				Assets partially or totally depreciated	Assets - Neither Depreciated nor past due	
(in millions of euros)	0-6 months	6-12 months	> 1 year	Total	Total	Total	Total
December 31, 2024	87	34	67	189	286	2 743	3 218
December 31, 2023	56	23	33	112	127	2 919	3 159
December 31, 2022	71	12	56	139	234	2 530	2 903

5.3.3 Contract assets and liabilities

When the Group has partially fulfilled its obligations under contracts with customers but has not yet obtained an unconditional right to payment, for example because a technical milestone has not been reached at the reporting date, then the value of the work performed is presented as either "Non-current contract assets" or "Current contract assets" In the statement of financial position Contract assets are impaired based on the same principles as impairment losses on trade receivables.

Contract liabilities with customers are presented in the statement of financial position when customers have already invoiced or paid for services that the Group has not yet provided (advances received for services not yet performed; deferred revenue). They are segregated into two separate lines: "Non-current contract liabilities" and "Current contract liabilities"

Contract assets and liabilities are as follows:

(in millions of euros)	December 31, 2024 Non-current	December 31, 2024 Current	December 31, 2023 Non-current	December 31, 2023 Current
Contracts assets	**56**	**313**	**49**	**296**
Amounts due from customers under construction contracts	-	185	-	184
Concession renewal works assets (IFRIC 12)	-	97	-	96
Concession contracts receivables in progress (IFRIC 12)	-	31	-	17
Concession intangible asset in progress (IFRIC 12)	56	-	49	-
Depreciation of contracts assets	-	-	-	-
Contract liabilities	**164**	**589**	**221**	**572**
Amounts due to customers under construction contracts	-	173	-	164
Obligation for renewal works (IFRIC 12)	-	119	-	162
Advances received	-	265	-	210
Deferred operating income	-	8	-	10
Concession liabilities	164	25	221	26

Change in contracts assets and liabilities over 2024 is as follows:

(in millions of euros)	December 31, 2023	Business-related movements	Scope and forex impacts	Other movements	December 31, 2024
Non-Current					
Contracts assets	**49**	**8**	**0**	**-**	**56**
Concession intangible asset in progress (IFRIC 12)	49	8	0	0	56
Contract liabilities	**221**	**4**	**(2)**	**(59)**	**164**
Concession liabilities	221	4	(2)	(59)	164
Current					
Contracts assets	**296**	**0**	**(2)**	**-**	**313**
Amounts due from customers under construction contracts	184	3	(2)	0	185
Concession renewal works assets (IFRIC 12)	96	(16)	0	18	97
Concession contracts receivables in progress (IFRIC 12)	17	13	1	0	31
Contract liabilities	**572**	**1**	**2**	**15**	**589**
Amounts due to customers under construction contracts		8	1	164	173
Obligation for renewal works (IFRIC 12)	162	(57)	(0)	14	119
Advances received	210	61	1	(8)	265
Deferred operating income	10	(2)	0	0	8
Concession liabilities	26	(9)	(0)	9	25

5.3.4 Other current assets and liabilities

The evolution of other current assets and liabilities over 2024 is as follows:

(in millions of euros)	December 31, 2023	Business-related movements	Scope and forex impacts	Other movements	December 31, 2024
Tax receivables (except income tax receivables)	472	1	66	25	564
Social receivables	3	1	(1)	3	7
Acccrued expenses	38	0	6	(8)	36
Advances and deposit paid	74	2	13	(0)	88
Current account assets of partnerships and transparent companies	1	0	0	-	1
Other gross current assets	127	(4)	30	(0)	152
Depreciation of current assets	(4)	(0)	0	0	(4)
Other current assets	**711**	**(1)**	**114**	**20**	**844**
Debt to be reimbursed on behalf third parties [a]	902	-	21	-	924
Social payables [b]	794	2	28	2	825
Tax payables (except income tax payables)	504	4	(10)	34	533
Other accrued income	176	1	(23)	(2)	152
Current account liabilities of partnerships and transparent companie	0	0	1	-	1
Other current liabilities	183	4	(3)	(14)	170
Other current liabilities	**2 560**	**10**	**14**	**20**	**2 605**

(a) The debt to be reimbursed on behalf of third parties corresponds to debt from public authorities taken over by the private operator under certain concession contracts.
(b) Business-related movements in the social payables include the change in liabilities related to share-based payments for €35 million.

As of December 31, 2023, other current assets and liabilities are broken down as follows:

(in millions of euros)	December 31, 2022	Business-related movements	Scope and forex impacts	Other movements	December 31, 2023
Tax receivables (except income tax receivables)	439	3	31	(0)	472
Social receivables	101	-	(0)	(97)	3
Acccrued expenses	54	2	(18)	(0)	38
Advances and deposit paid	51	(1)	25	(0)	74
Current account assets of partnerships and transparent companies	7	-	(6)	-	1
Other gross current assets	143	0	23	(39)	127
Depreciation of current assets	(3)	0	(0)	(1)	(4)
Other current assets	**792**	**4**	**54**	**(138)**	**711**
Debt to be reimbursed on behalf third parties [a]	843	-	60	-	902
Social payables [b]	735	3	57	(2)	794
Tax payables (except income tax payables)	448	5	51	(1)	504
Other accrued income	152	1	26	(3)	176
Current account liabilities of partnerships and transparent companie	2	-	(1)	-	0
Other current liabilities	288	(4)	(81)	(21)	183
Other current liabilities	**2 468**	**6**	**112**	**(26)**	**2 560**

Note 6 Net financial income, assets and liabilities

6.1 Financial income

(in millions of euros)	December 31, 2024 Expenses	Income	Total	December 31, 2023 Expenses	Income	Total
Cost of net debt	(237)	48	(189)	(221)	47	(174)
Other financial income and expenses	(33)	50	16	(33)	59	25
Financial income/(loss)	(270)	97	(173)	(254)	106	(148)

6.1.1 Cost of net debt

This item primarily includes interest expenses related to gross borrowings (calculated using the effective interest rate), gains and losses arising from foreign currency and interest rate hedging transactions on gross borrowings, as well as interest income on cash investments and changes in the fair value of financial assets measured at fair value through income.

(in millions of euros)	December 31, 2024 Expenses	Income	Total	December 31, 2023 Expenses	Income	Total
Interest expense on gross borrowings	(209)	-	(209)	(201)	-	(201)
Interest income and expense on lease liabilities	(18)	-	(18)	(6)	-	(6)
Exchange gain/(loss) on borrowings and hedges	(4)	12	7	(13)	14	1
Unrealized income/(expense) from economic hedges on borrowings	-	-	-	-	-	-
Income/(expense) on cash and cash equivalents, and financial assets at fair value through income	-	36	36	-	33	33
Financial income (expense) relating to a financial debt or receivable restructuring	(6)	-	(6)	(0)	-	(0)
Cost of net debt	(237)	48	(189)	(221)	47	(174)

The increase in the interest expense on lease liabilities is mainly due to the sharp increase in short-term interest rates and the volume of lease liabilities.

In 2024, the Group used derivatives (cross-currency swaps) qualified as net investment hedging of its investments held in China. The effective portion recognized in equity (excluding tax effect) for these net investment hedges is €(14) million. The ineffective portion recognized in profit and loss under these net investment hedges is €3 million.

6.1.2 Other financial income and expense

(in millions of euros)	December 31, 2024 Expenses	Income	Total	December 31, 2023 Expenses	Income	Total
Net interest expenses related to post employment and other long term benefits	(10)	-	(10)	(9)	-	(9)
Unwinding of discounting adjustment to long term provisions	-	12	12	-	25	25
Change in fair value of derivatives not included in net debt	(1)	-	(1)	-	9	9
Income from non-current financial assets at fair value through P&L / Non-recyclable equity	-	1	1	-	1	1
Other	(22)	37	15	(25)	23	(1)
Other Financial Income and Expenses	(33)	50	16	(33)	59	25

In 2023 and 2024 the positive effect on long-term provisions arose the sharp increase in discount rates (higher increase in 2023 compared to the change over 2024) which offsets the annual discounting expense.

6.2 Financial assets and liabilities

The following table presents the different categories of financial assets and liabilities:

(in millions of euros)	Note	December 31, 2024 Non-current	Current	Total	December 31, 2023 Non-current	Current	Total
Financial assets measured at fair value through P&L	6.2.2.1	29	37	66	11	10	21
Derivative financial instruments		*19*	*37*	*56*	*1*	*10*	*11*
Other financial assets measured at fair value through income		*10*	*-*	*10*	*10*	*-*	*10*
Financial assets at fair value through non recyclable equity	6.2.2.2	49	-	49	48	-	48
Loans and receivables carried at amortized cost	6.2.2.3	310	3,299	3,609	364	3,267	3,631
Trade and other receivables (a)		*-*	*3,035*	*3,035*	*-*	*3,125*	*3,125*
Other loans and receivables at amortized cost		*310*	*264*	*574*	*364*	*142*	*506*
Financial assets *(including other receivables and other debtors)*		**388**	**3,336**	**3,724**	**423**	**3,277**	**3,700**
Cash and cash equivalents		-	1,282	1,282	-	1,204	1,204
Total financial assets and cash		**388**	**4,618**	**5,006**	**423**	**4,480**	**4,903**
Borrowings and debt		6,362	391	6,753	6,080	302	6,381
Borrowings and debt		5,752	204	5,956	5,655	143	5,798
Lease liabilities		592	145	736	423	146	569
Derivative financial instruments		16	42	58	0	13	13
Other financial liabilities (b)		3	-	3	2	-	2
Trade and other payables (a)		-	2,375	2,375	-	2,193	2,193
Financial liabilities *(including other payables and other creditors)*		**6,362**	**2,765**	**9,128**	**6,080**	**2,494**	**8,574**

(a) Trade and other receivables and trade and other payables are broken down in Note 5.3.
(b) Other financial liabilities as of December 31, 2024 correspond to various individually insignificant items.

6.2.1 Net debt

Financial liabilities include borrowings (of which bank overdrafts), trade and other payables, derivative financial instruments, and other financial liabilities.

Financial liabilities are broken down into current and non-current liabilities in the statement of financial position. Current financial liabilities primarily comprise:

- *financial liabilities with a settlement or maturity date within 12 months of the closing date,*
- *derivative financial instruments qualifying as fair value hedges,*
- *all derivative financial instruments not qualifying as hedges.*

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method; derivative financial instruments are measured at fair value.

On initial recognition, any issue premiums/discounts, redemption premiums/discounts and issue costs are added to/deducted from the nominal value of the borrowings concerned. These items are considered when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

Suez Group treats restructurings of financial debts that do not take place between identical lenders and borrowers as an extinction of the initial debt and an acknowledgement of the new debt.

Similarly, a renegotiated debt whose value of cash flows under the new conditions (including fees paid to the counterparty bank, discounted using the initial effective interest rate) differs by more than 10% from the present value of the remaining cash flows of the initial financial liability is also considered to be an extinguishment of debt and the recognition of new debt, since the contractual amendment is substantive under IFRS 9. At this time, the initial debt is considered as extinguished and therefore derecognized and all fees related to the former and not yet amortized debt are transferred to the income statement.

When the change is not substantive, the initial debt remains recognized in the statements of financial position, including any related fees not yet amortized. However, the Group reassess the carrying amount of the debt with the new future cash flows expected over its remaining period to comply with the standard. The effect of the reassessment is recognized in the income statement.

The net debt as of December 31, 2024, is as follows:

	December 31, 2024			December 31, 2023		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Bonds issues	*5 524*	*-*	*5 524*	*5 490*	*-*	*5 490*
Draw downs on credit facilities	*87*	*3*	*90*	*13*	*-*	*13*
Other bank borrowings	*122*	*74*	*196*	*126*	*45*	*171*
Other borrowings	*59*	*50*	*109*	*72*	*10*	*82*
Overdrafts and current cash accounts	*-*	*22*	*22*	*-*	*32*	*32*
Impact of measurement at amortized cost [(a)]	*(40)*	*55*	*15*	*(47)*	*57*	*10*
Borrowings and debt	**5 752**	**204**	**5 956**	**5 655**	**143**	**5 798**
Lease liabilities	592	145	736	423	146	569
Debt-related derivatives under liabilities [(b)]	16	16	32	-	6	6
Gross debt	**6 359**	**365**	**6 724**	**6 078**	**295**	**6 373**
Other cash and cash equivalents	-	(1 282)	(1 282)	-	(1 204)	(1 204)
Debt-related derivatives under assets [(b)]	(18)	(12)	(30)	-	(7)	(7)
Net cash	**(18)**	**(1 294)**	**(1 313)**	**-**	**(1 211)**	**(1 211)**
Net debt	6 341	(930)	5 411	6 078	(916)	5 162
Impact of measurement at amortized cost	40	(55)	(15)	47	(57)	(10)
Derivative instruments	2	(4)	(2)	-	1	1
Net debt excluding amortized cost and impact of derivative financial instruments	6 383	(988)	5 395	6 125	(972)	5 153

[(a)] Includes accrued interest on gross debt as well as premiums and fees for setting up borrowings to be amortized.
[(b)] This refers to the fair value of derivative instruments related to debt, whether designated as hedges or not.

The sensitivity of the debt (including interest rate and currency derivatives) to interest rate risk and currency risk is presented in Note 6.3.

Variations of the net debt by flow as of December 31, 2024 are presented in the following table:

			Non cash flows				December 31, 2024		
(in millions of euros)	December 31, 2023	Cash flows	Forex effect	Scope effect	Change in fair value and amortized cost	Other	Total	of which Current	of which Non-Current
Bonds issues	*5,490*	*(2)*	*33*	*2*	*-*	*-*	*5,524*	*-*	*5,524*
Draw downs on credit facilities [(b)]	*13*	*77*	*-*	*-*	*-*	*-*	*90*	*3*	*87*
Other bank borrowings	*171*	*(4)*	*7*	*20*	*-*	*2*	*196*	*74*	*122*
Other borrowings	*82*	*22*	*1*	*6*	*-*	*(2)*	*109*	*50*	*59*
Overdrafts and current cash accounts	*32*	*(18)*	*0*	*8*	*-*	*(0)*	*22*	*22*	*-*
Impact of measurement at amortized cost	*10*	*(1)*	*1*	*0*	*6*	*(1)*	*15*	*55*	*(40)*
Borrowings and debt	**5,798**	**75**	**42**	**36**	**6**	**(1)**	**5,956**	**204**	**5,752**
Lease liabilities [(c)]	569	(184)	3	5	(2)	345	736	145	592
Debt-related derivatives under liabilities [(a)]	6	-	2	-	23	-	32	16	16
Gross debt	**6,373**	**(108)**	**47**	**41**	**27**	**344**	**6,724**	**365**	**6,359**
Other cash and cash equivalents	(1,204)	(68)	(13)	2	-	1	(1,282)	(1,282)	-
Debt-related derivatives under assets [(a)]	(7)	-	(3)	-	(20)	-	(30)	(12)	(18)
Net cash	**(1,211)**	**(68)**	**(16)**	**2**	**(20)**	**1**	**(1,313)**	**(1,294)**	**(18)**
Net debt	5,162	(177)	31	43	7	345	5,411	(930)	6,341

[(a)] The derivative financial instruments are detailed in Note 6.2.3.
[(b)] As of December 31, 2024, this item solely comprises drawdowns on credit facilities carried by subsidiaries. The €750 million credit facility carried by Suez S.A. remains undrawn.
[(c)] As of December 31, 2024, the "other" cash flow of €345 million corresponds to new lease contracts for €286 million and the effect of the discounting of lease debt for €59 million.

The table below presents the bonds outstanding at December 31, 2024:

(in millions of euros) Issue date	Nominal	Rate [(a)]	Coupon	Maturity
May 2022	750	Fixed	1,875%	May 24, 2027
May 2022	850	Fixed	2,375%	May 24, 2030
May 2022	1,000	Fixed	2,875%	May 24, 2034
October 2022	800	Fixed	4,625%	November 3, 2028
October 2022	900	Fixed	5,000%	November 3, 2032
October 2023 (GBP)	724	Fixed	6,625%	October 5, 2043
November 2023	500	Fixed	4,500%	November 13, 2033
Bond issues	5,524			

[(a)]Corresponding to post-swap rates

In 2023, SUEZ, rated Baa2 by Moody's, issued two "green bonds" through two operations for £600 million and €500 million, respectively. The funds were allocated to the refinancing of eligible green projects as confirmed in the Green Bond Report, dated November 29, 2024.

Other borrowings include in particular the financial debt to Veolia corresponding to economic transfers in progress for €1 million at December 31, 2024 (€10 million as of December 31, 2023).

Cash and cash equivalents

The cash and cash equivalents line item includes cash on hand, as well as short-term investments considered to be liquid, readily convertible into a known amount of cash, subject to negligible risk of change in value in accordance with IAS 7, and held to meet short-term cash commitments.

Overdrafts are excluded from cash and cash equivalents and are recognized as current financial liabilities in the statement of financial position.

The risk management policy related to financial instruments is presented in Note 6.3.

Cash and cash equivalents amount to €1,282 million as of December 31, 2024. It mainly consists of cash for €770 million, term deposits for €257 million, and current accounts with non-consolidated related parties amounting for €255 million including €203 million with Suez holding (see Note 16.1).

6.2.2 Financial assets

Financial assets are listed as follows:

- *assets whose cash flows are not interests and principal repayments (equity interests in non-consolidated entities, derivative instruments)*
- *assets whose cash flows are interests and principal repayments (primarily loans and receivables)*

Financial assets are broken down into current and non-current assets in the statement of financial position.

Equity interests in non-consolidated entities

Suez Group's investments in non-consolidated companies are classified as either:

- *equity instruments measured at fair value through profit or loss. This category mainly includes listed securities held in companies in which the Suez Group does not hold a significant influence; or*
- *equity instruments measured at fair value through other comprehensive income following an irrevocable option taken by the Suez Group, security by security, and from the first recognition. This category mainly includes unlisted securities held in companies in which the Group does not have significant influence.*

In accordance with IFRS 9, equity instruments are recognised:

- *at their initial cost plus transaction costs when they are 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 recorded on the income statement at the acquisition date.*

At each closing, the Group's equity investments in non-consolidated companies are measured and recognised at their fair value. For listed companies, fair value is determined based on the quoted market price at the relevant closing date. For unlisted securities, fair value is measured using valuation models based primarily on the latest market transactions, discounted dividends, cash flows, or failing that, using net book value.

In accordance with IFRS 9:

- *all impacts related to instruments measured at fair value through profit or loss generated after their vesting date are recognised in the income statement: dividends, positive or negative differences between the fair value and acquisition price throughout the entire time the securities are held, gains or losses on disposals.*
- *by contrast, impacts related to instruments measured at fair value through other comprehensive income are never recycled in the income statement. The positive or negative differences between fair value and acquisition price are recorded in other comprehensive income as long as the instruments are held. Gains and losses on disposals are classified in other comprehensive income, then the amount cumulated in other omprehensive income related to the line of sold securities is reclassified to consolidated reserves. Only dividends received impact the Group income statement.*

Derivatives instruments

Derivative instruments are measured and recognised at their fair value; changes in fair value are recognized in the income statement unless the derivative instruments are used as cash flow hedges or net investment hedges (see Note 6.2).

Loans and receivables carried at amortized cost

The category mainly includes loans and receivables attached to investments, advances granted to associates or non-consolidated companies, guarantee deposits, long-term receivables from customers for concession contracts.

On initial recognition, these loans and receivables are recorded at fair value plus transaction costs, which generally corresponds to their nominal value. Then, at each reporting date, these assets are measured at amortized cost using the effective interest rate method.

In accordance with the terms and conditions of IFRS 9, Suez Group entities have started using an impairment approach per type of asset for counterparty risk. Impairment losses are calculated based on the expected losses on assets taken individually.

(b) These assets are classified into three categories:

- *situation 1: Assets whose credit risk has not significantly deteriorated, and debtors pay on time or with delays of less than 60 days*
- *situation 2: Assets that have suffered material credit risk deterioration with overdue payments of between 60 and 180 days*
- *situation 3: Assets that have deteriorated to the point where the loss has occurred, with overdue payments exceeding 180 days.*

Assets classified under situation 1 are subject to impairment for expected losses up to 12 months. Assets classified under situations 2 or 3 are subject to impairment for expected losses over their entire useful life. The amount of impairment is calculated based on:

- *the likelihood of default of the debtor;*
- *the estimated loss rate if the counterparty defaults is applied to the total value of the asset.*

Impairment on loans related to investments, current account with associates and deposits and guarantees are calculated based on expected losses on assets taken individually.

Receivables arising from concession contracts when the Group has obtained an unconditional right to receive cash contain a financing component within the meaning of IFRS 15 since customers pay over several years for a service already provided by the Group. As authorized by IFRS 9, the impairment method used to calculate impairment losses on loans and advances on current accounts and described above is applied to these loans and receivables.

Gross values of receivables are transferred to unrecoverable losses on receivables in the income statement when all actions offered to the Suez Group to recover the assets have been exhausted. Accumulated impairment less receivables concerned are then also transferred to the income statement.

Contracts assets include amounts due from customers under construction contracts. The calculation method used is described in Note 5. These assets are subject to an impairment review using the same rules as trade receivables.

The different categories of financial assets, broken down between current and non-current portions, are presented in Note 6.2.

6.2.2.1 Financial assets at fair value through profit or loss

Derivative financial instruments are detailed in Note 6.2.3.

The other financial assets at fair value through profit or loss are unlisted securities held by the Group. The variation during the fiscal year 2024 is analyzed as follows:

(in millions of euros)	Other financial assets at fair value through P&L
December 31, 2023	**10**
Acquisitions	11
Net book value of disposals	(2)
Changes in fair value posted to income statement	(5)
Changes in scope, exchange rates and other	(3)
December 31, 2024	**10**

Income generated by these unlisted securities is not significant.

6.2.2.2 Financial assets at fair value through equity

Financial assets at fair value through equity correspond to unlisted securities held by the Group. Their variation during the fiscal year is analysed as follows:

(in millions of euros)	Financial assets at fair value through non-recyclable equity
December 31, 2023	**48**
Acquisitions	10
Net book value of disposals	(2)
Changes in fair value posted to equity as other comprehensive income	(7)
Changes in scope, exchange rates and other	(0)
December 31, 2024	**49**

Income generated by these securities is not significant.

6.2.2.3 Loans and receivables carried at amortised cost

Trade receivables and other debtors are detailed in Note 5.3.
Other loans and receivables at amortized cost are broken down as follows:

	December 31, 2024			December 31, 2023		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Loans granted to affiliated companies [(a)]	194	53	247	203	36	239
Concession receivables	116	211	327	161	106	267
Other loans and receivables at amortized cost	**310**	**264**	**574**	**364**	**142**	**506**

[(a)] This item includes loans granted to associates accounted for under the equity method and/or to non-consolidated companies for an amount of €140 million as of December 31, 2024 (€138 million as of December 31, 2023 and deposits and guarantees for an amount of €107 million as of December 31, 2024 (€101 million as of December 31, 2023).

The gross value of loans and receivables at amortized cost amounts to €757 million, with impairments totaling €183 million as of December 31, 2024, compared to €691 million and €185 million respectively as of December 31, 2023

Net gains and losses recorded in the income statement on loans and receivables at amortized cost as of December 31, 2024 are as follows:

		Remeasurement post-acquisition	
(in millions of euros)	Interests	Translation adjustment	Impairment
December 31, 2023	25	(1)	(17)
December 31, 2024	**33**	**-**	**2**

6.2.2.4 Financial assets pledged as collateral

Financial assets pledged as collateral to cover financial liabilities amount to €45 million as of December 31, 2024 (€72 million as of December 31, 2023).

6.2.3 Derivative financial instruments - assets and liabilities

The Group uses financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices. Use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks.

Definition and scope of derivative financial instruments

Derivative financial instruments are contracts whose value changes in response to the change in one or more observable variables that do not require any material initial net investment and that are settled at a future date.

Derivative instruments include swaps, options and forward contracts.

Derivative hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognised in the statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as:

- *a fair value hedge of an asset or liability*
- *a cash flow hedge*
- *a hedge of a net investment in a foreign operation.*

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognised asset or liability, such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognised firm commitment denominated in a foreign currency.

The gain or loss from re-measuring the hedging instrument at fair value is recognised in income. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognised in income even if the hedged item is in a category in respect of which changes in fair value are recognised through Other comprehensive income, or if it is normally recognised at amortized cost in the absence of hedging. These two adjustments are presented net in the income statement, with the net effect corresponding to the ineffective portion of the hedge.

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's consolidated income. The hedged cash flows may be attributable to a particular risk associated with a recognised financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in Other comprehensive income, net of tax, while the ineffective portion is recognised in income. The gains or losses accumulated in shareholders' equity are reclassified to the income statement, under the same caption as the loss or gain on the hedged item – i.e., current operating income for operating cash flows and financial income/expense for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains separately recognised in shareholders' equity until the forecast transaction occurs. However, if a forecast transaction is no longer highly probable, the cumulative gain or loss on the hedging instrument is recognised in income.

Identification and documentation of hedging relationships

The Group identifies the hedging instrument and the hedged item at the inception of the hedge and formally documents the hedging relationship by identifying the hedging strategy, the hedged risk and the method used to assess the effectiveness of the hedge. Only derivatives traded with counterparties outside of the Group are considered eligible for hedge accounting.

From the outset and on an ongoing basis during all periods for which hedging has been designated, the Group demonstrates and documents the effectiveness of the hedging relationship.

Hedges are considered effective when:

- *there is an economic relationship between the hedged item and the hedging item. This relationship exists when the characteristics of the hedging instrument (notional amount, maturity date) are highly correlated with the hedged item, and/or when the change in the value of the hedging instrument itself strongly correlates to the change in value of the item hedged.*
- *the hedging ratio is consistent with the risk management strategy of the company that is hedging the hedged item.*
- *the value of the hedging instrument is largely unrelated to the debtor's credit risk.*

The hedge effectiveness has been demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in fair value or in cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used by the Group.

Derivative instruments not qualifying for hedge accounting

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognised directly in income, under "Mark-to-Market on commodity contracts other than trading instruments", in current operating income for derivative instruments with non-financial assets as the underlying, and in financial income or expenses for currency, interest rate and equity derivatives.

Derivative expiring in less than 12 months are recognised in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

Measurement of fair value

The fair value of listed instruments on an active market is determined based on the market price. In this case, these instruments are presented at Level 1 of the fair value measurement.

The fair value of non-listed financial instruments for which there is observable market data is determined by using valuation techniques such as the valuation models applied for options, or by using the discounted cash flows method. The counterparty risk is considered when valuing derivative contracts.

The models used to value these instruments include assumptions based on market data in accordance with IFRS 13:

- *the fair value of interest rate swaps is calculated based on discounted future cash flows.*
- *the fair value of forward exchange contracts and currency swaps is calculated based on current prices for contracts with similar maturity profiles by discounting the differential of future cash flows (the difference between the forward price of the contract and the recalculated forward price based on new market conditions applied to the nominal amount)*
- *commodity derivatives are valued as a function of market quotes based on discounted future cash flows (firm contracts: commodity swaps or commodity forwards), and option valuation models (optional contracts) for which it may be necessary to observe market price volatility. For contracts with maturity exceeding the depth of transactions for which prices are observable, or that are particularly complex, valuations may be based on internal assumptions.*
- *for complex contracts entered with independent financial institutions, the Group uses valuations carried out by counterparties, on an exceptional basis.*

These instruments are presented in Level 2 of the fair value measurement hierarchy unless their valuation relies significantly on non-observable parameters. In this case, they are presented as Level 3 of the fair value measurement hierarchy. These largely involve derivative financial instruments with maturities exceeding the observable horizon for the forward prices of the underlying asset, or for which certain parameters, such as underlying volatility, are not observable.

	December 31, 2024			December 31, 2023		
(in millions of euros)	Non-current	Current	Total	December 31, 2023	Current	Total
Debt-related derivatives	18	12	30	-	7	7
Derivative hedging commodities	-	-	-	-	-	-
Derivative hedging other items [(a)]	0	25	26	1	3	4
Derivative financial assets	**19**	**37**	**56**	**1**	**10**	**11**
Debt-related derivatives	16	16	32	-	6	6
Derivatives hedging commodities	-	-	-	0	-	0
Derivatives hedging other items [(b)]	-	26	26	-	6	6
Derivatives financial liabilities	**16**	**42**	**58**	**0**	**13**	**13**

[(a)] Notably includes the revaluation of strong commitments for €11 million and roll forward for €8 million as of December 31, 2024.
[(b)] Notably includes the revaluation of strong commitments for €3 million and roll forward for €8 million as of December 31, 2024.

These instruments are put in place according to the Group risk management policy and are analyzed in Note 6.3.

6.2.4 Fair value of financial instruments by Level

	December 31, 2024					December 31, 2023				
(in millions of euros)	Accounting Value	Fair Value	Level 1	Level 2	Level 3	Accounting Value	Fair Value	Level 1	Level 2	Level 3
Listed securities	-	-	-	-	-	5	5	5	-	-
Unlisted securities	59	59	-	-	59	53	53	-	-	53
Derivative financial instruments	56	56	-	56	-	11	11	-	11	-
Financial assets at fair value	**115**	**115**	**-**	**56**	**59**	**69**	**69**	**5**	**11**	**53**
Borrowings	5,956	6,068	5,604	464	-	5,798	5,945	5,638	308	-
Derivative financial instruments	58	58	-	58	-	13	13	-	13	-
Debt-related derivatives	*32*	*32*	-	*32*	-	*6*	*6*	-	*6*	-
Derivatives hedging commodities	-	-	-	-	-	*0*	*0*	-	*0*	-
Derivatives hedging other items	*26*	*26*	-	*26*	-	*6*	*6*	-	*6*	-
Financil liabilities at fair value	**6,014**	**6,125**	**5,604**	**521**	**-**	**5,811**	**5,958**	**5,638**	**321**	**-**

Financial assets

Unlisted securities, with a fair value of €59 million as of December 31, 2024, are valued using valuation models primarily based on recent transactions, discounted cash flows, or net asset values. Therefore, they are classified as Level 3 financial instruments.

Derivative financial instruments used by the Group for risk management purposes mainly include interest rate and currency swaps, currency options, forward foreign exchange contracts, and commodity swaps. Their fair value amounts to €56 million as of December 31, 2024. The fair value of most of these contracts is determined using internal valuation models based on observable data. Therefore, they are classified as Level 2 financial instruments.

Financial liabilities

Regarding financial liabilities, only listed bonds issued by Suez are presented in this table as Level 1. Other borrowings are presented as Level 2. The fair value of all these borrowings is determined considering interest rate risk (interest rate component), based on observable data.

Regarding derivative financial instruments, they are classified as Level 2 fair value instruments.

6.2.5 Offsetting derivative financial instruments assets and liabilities

As of December 31, 2024, the Group did not offset any financial liability in its statement of financial position. Additionally, Suez enters into over-the-counter derivatives with first-tier banks under agreements that provide for an offsetting mechanism between payables and receivables in the event of default by one of the contracting parties. These conditional offsetting agreements do not meet the criteria of IAS 32 for offsetting derivative financial instruments assets and liabilities in its statement of financial position. However they fall within the scope of disclosures required under IFRS 7 regarding offsetting:

	December 31, 2024				December 31, 2023			
	Financial derivatives instruments on net debt and others		Financial derivatives instruments on commodities		Financial derivatives instruments on net debt and others		Financial derivatives instruments on commodities	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Gross amount [a]	56	(58)	-	-	11	(13)	-	(0)
Amount after offsetting	53	(54)	-	-	8	(10)	-	(0)

[a] Gross amounts of financial assets and liabilities recognized.

6.3 Management of risks arising from financial instruments

The Group mainly uses derivative instruments to manage its exposure to market risks.

6.3.1 Commodity market risk

The Group enters into cash-flow hedge operations on fuel, using derivatives offered on over-the-counter markets, whether outright or optional, but always cash-settled. The Group objective is to protect itself against unfavorable market price developments that could affect in particular its supply costs.

The fair value of commodity derivatives is presented in Note 6.3.4.

6.3.2 Currency risk

Since subsidiaries operate mostly in local currencies, exposure to currency risk linked to transactions is limited.

Translation risk is mainly concentrated on equity holdings in the United Kingdom, China, Australia, and South Africa. The Group hedging policy regarding investments in non-Euro currencies consists in contracting liabilities denominated in the same currency as the cash flows expected to derive from these assets based on various internal and external indicators.

Among the hedging instruments used, borrowings in the relevant currency constitute the most natural hedging means. The Group also uses foreign currency derivatives (swaps, cross currency swaps…), which allow for the creation of synthetic currency debts.

6.3.2.1 Financial instruments by currency

The breakdown by currency of outstanding borrowings and of net debt, before and after taking interest rate and currency hedges into account, is presented below:

Outstanding borrowings

	December 31, 2024		December 31, 2023	
(in %)	Before impact of derivatives	After impact of derivatives	Before impact of derivatives	After impact of derivatives
EUR	83%	74%	87%	87%
USD	0%	0%	1%	2%
GBP	10%	7%	9%	7%
CNY	0%	11%	0%	0%
MOP	1%	1%	1%	1%
ZAR	1%	1%	1%	1%
Other currencies	5%	6%	1%	2%
Total	100%	100%	100%	100%

Net debt

(in %)	December 31, 2024 Before impact of derivatives	December 31, 2024 After impact of derivatives	December 31, 2023 Before impact of derivatives	December 31, 2023 After impact of derivatives
EUR	86%	74%	88%	89%
USD	0%	0%	0%	1%
GBP	15%	12%	14%	11%
CNY	-3%	10%	0%	0%
MOP	1%	1%	1%	1%
ZAR	1%	1%	1%	1%
Other currencies	0%	2%	-4%	-3%
Total	100%	100%	100%	100%

6.3.2.2 Analysis of currency risk sensitivity

The sensitivity analysis was based on the financial net debt position (including derivative financial instruments).

As regards currency risk, the sensitivity calculation consists in evaluating the impact in the consolidated financial statements of a +/- 10% change in foreign exchange rates compared to closing rates.

Impact on income after the impact of foreign exchange derivatives

Changes in exchange rates against the euro only affect income through gains and losses on liabilities denominated in a currency other than the functional currency of the entities carrying the liabilities on their statement of financial position, and to the extent that these liabilities do not qualify as net investment hedges. A uniform +/- 10% change in foreign currencies against euro would generate a gain or a loss of €1 million.

Impact on equity after taking into account foreign exchange derivatives

As of December 31, 2024, a uniform variation of +/- 10% in exchange rates against the euro would generate respectively a negative or positive impact of €5 million on the shareholders' equity.

As of December 31, 2024, for financial liabilities (debts and derivatives) qualifying as net investment hedges, a uniform variation of +/- 10% in exchange rates against the euro would generate respectively a negative or positive impact of €62 million in shareholders' equity. This variation is offset by an opposite effect on net investment in hedged currencies.

6.3.3 Interest rate risk

The Group aims to reduce its financing costs by limiting the impact of interest rate fluctuations on its income statement.

The Group policy is to diversify net debt interest rate references between fixed and floating rates. The Group aim is to achieve a balanced interest rate structure for its net debt in the medium term (5 to 15 years). The interest rate mix may change depending on market trends.

The Group therefore uses hedging instruments (in particular swaps) to protect itself from increases in rates in the currencies in which the debt is denominated.

The Group exposure to interest rate risk is managed centrally and regularly reviewed (usually on a monthly basis) during meetings of the Treasury Committee. Any significant change in the interest rate mix is subject to prior approval by Management.

The cost of debt is sensitive to changes in interest rates on all floating-rate debt. The cost of debt is also affected by changes in market value of derivative instruments not qualifying as hedge instruments under IFRS 9.

The Group main exposure to interest rate risk arises from loans and borrowings denominated in euro and sterling pound, which represent almost all the net debt as of December 31, 2024.

6.3.3.1 Financial instruments by rate type

The breakdown of outstanding borrowings and net debt by type of rate, before and after impact of hedging instruments, is shown in the following tables:

Outstanding borrowings

(in %)	December 31, 2024 Before impact of derivatives	December 31, 2024 After impact of derivatives	December 31, 2023 Before impact of derivatives	December 31, 2023 After impact of derivatives
Floating rate	4%	3%	3%	3%
Fixed rate	96%	97%	97%	97%
Total	100%	100%	100%	100%

Net debt

(in %)	December 31, 2024 Before impact of derivatives	December 31, 2024 After impact of derivatives	December 31, 2023 Before impact of derivatives	December 31, 2023 After impact of derivatives
Floating rate	-22%	-24%	-22%	-23%
Fixed rate	122%	124%	122%	123%
Total	100%	100%	100%	100%

As of December 31, 2024 and 2023, the negative variable portion of net financial debt is attributed to the inclusion of cash and cash equivalents amounting respectively to €(1,282) and €(1 204) million as presented in Note 6.2.1.

6.3.3.2 Analysis of interest rate risk sensitivity

The sensitivity analysis is based on the net debt position as at the reporting date (including financial instruments with an interest rate component).

For interest rate risk, the sensitivity is calculated based on the impact of a rate change of +/- 1% compared with year-end interest rates.

Impact on the income statement after taking into account interest rate derivatives

A +/- 1% change in short-term interest rates (for all currencies) on the nominal amount of floating-rate net debt, inflation-linked debt included, and the floating-rate component of derivatives would have a negative or positive impact of €13 million.

A 1% increase or decrease in all yield curves (same for all currencies) would not generate a negative or positive impact related to the change in fair value of non-qualifying derivatives.

Impact on equity after taking into account interest rate derivatives

An increase of 1% in all interest rates (for all currencies) would generate a gain of €11 in shareholders' equity due to the change in fair value for derivatives qualifying as cash flow hedges and accounted for in the statement of financial position. On the other hand, a decrease of 1% would generate a loss of €10 million.

6.3.4 Currency and interest rates of commodity markets risk hedges

The fair values and notional amounts of the financial derivative instruments used to hedge currency and interest rate risks are as follows:

Fair value of commodity derivatives

The fair value of commodity derivative financial instruments as of December 31, 2024 and December 31, 2023 is not material.

Foreign currency derivatives

(in millions of euros)	December 31, 2024 Total market value	December 31, 2024 Total nominal value	December 31, 2023 Total market value	December 31, 2023 Total nominal value
Fair-value hedges	(6)	336	2	269
Cash-flow hedges	(4)	61	(3)	31
Net investment hedge	(1)	615		
Derivative instruments not qualifying for hedge accounting	(0)	192	(0)	402
Total	(11)	1,204	(1)	702

Net Investment hedge

In 2024, the Group used derivatives (cross-currency swaps) qualified as net investment hedge for its subsidiaries in China.

The effective portion of these net investment hedges recognized in shareholders' equity amounted to €(14) million. The ineffective portion recognized in profit or loss was €3 million.

Interest rate derivatives

(in millions of euros)	December 31, 2024 Total market value	December 31, 2024 Total nominal value	December 31, 2023 Total market value	December 31, 2023 Total nominal value
Fair-value hedges	-	-	-	-
Cash-flow hedges	1	50	1	14
Derivative instruments not qualifying for hedge accounting	-	-	-	-
Total	1	50	1	14

The market values shown in the table above are positive for an asset and negative for a liability.

The Group qualifies as fair value hedges derivatives on foreign currency that hedge firm commitments denominated in a currency other than the functional currency.

Cash flow hedges correspond mainly to hedges of future operating cash flows in foreign currency, acquisition hedges, as well as hedges of interest rates on highly probable bond refinancings.

Interest rate derivatives not designated as hedges consist of structured instruments, which because of their type and because they do not meet the effectiveness criteria defined in IFRS 9, cannot be qualified as hedges for accounting purposes.

Foreign currency derivatives not qualifying as hedges economically hedge commitments denominated in foreign currencies, primarily consisting of intra-group loans that the Group may grant to subsidiaries in their local currency. Furthermore, the effect of foreign currency derivatives is almost entirely offset by translation adjustments on the hedged items.

Fair value hedges

Fair values of foreign exchange derivatives qualifying as fair value hedges can be broken down by maturity as follows:

December 31, 2024 *(in millions of euros)*	Total	< 1Y	[1 to 2Y[	[2 to 5Y[	> 5Y
Fair value of derivatives by maturity date	(6)	(3)	(1)	(2)	-

December 31, 2023 *(in millions of euros)*	Total	< 1Y	[1 to 2Y[	[2 to 5Y[	> 5Y
Fair value of derivatives by maturity date	2	0	1	1	-

As of December 31, 2024, the net impact in the income statement of fair value hedges is less than €1 million.

Cash flow hedges

Fair values of foreign exchange and interest rate derivatives qualifying as cash flow hedges can be broken down by maturity as follows:

December 31, 2024 *(in millions of euros)*	Total	< 1Y	[1 to 2Y[	[2 to 5Y[	> 5Y
Cash flow hedges	(2)	(2)	(1)	(0)	1

December 31, 2023 *(in millions of euros)*	Total	< 1Y	[1 to 2Y[	[2 to 5Y[	> 5Y
Cash flow hedges	(2)	0	(2)	(1)	-

Unrealized gains and losses directly recognised in shareholders' equity – Group share in 2024 amount to €(29) million (including impacts on associates).

The ineffective portion of other cash-flow hedges recognized in the income statement is nil.

Net investment hedge

Fair values of interest rate derivatives qualifying as net investment hedges can be broken down by maturity as follows:

31 décembre 2024 (en millions d'euros)	Total	< 1 an	[1 à 2 ans[	[2 à 5 ans[	> 5 ans
Net investment hedge	(1)	-	-	(1)	-

31 décembre 2023 (en millions d'euros)	Total	< 1 an	[1 à 2 ans[	[2 à 5 ans[	> 5 ans
Net investment hedge	-	-	-	-	-

6.3.5 Counterparty risk

Through its operational and financial activities, the Group is exposed to counterparts default risks (customers, suppliers, partners, intermediates, banks) when they are unable to meet their contractual obligations. This risk arises from a combination of payment risk (non-payment for services rendered or deliveries made), delivery risk (non-delivery of services or goods already paid), and the risk of replacing defaulting contracts.

With regard to operating activities, the Group considers that it is not exposed to any counterparty risk on its assets.

The Group maximum exposure to counterparty risk on financial activities can be assessed as the carrying value of financial assets at amortized cost, i.e €4,891 million as of December 31, 2024 (i.e., €4,835 million as of December 31, 2023).

Counterparty risk arising from loans and receivables carried at amortized cost

Changes in trade and other receivables are listed in Note 5.3.2

Changes in loans and other receivables at amortized costs are listed in Note 6.2.2.3

Counterparty risk arising from investment activities and use of financial derivatives instruments

The Group is exposed to counterparty risk on the investment of its cash surplus (cash and cash equivalents) and through its use of derivative financial instruments. Counterparty risk corresponds to the loss which the Group might incur in the event of counterparties failing to meet their contractual obligations. In the case of derivative instruments, that risk corresponds to positive fair value.

The Group invests most of its cash surplus and negotiates its financial hedging instruments with first-rank counterparts. As part of its counterparty risk management policy, the Group has set up management and control procedures that focus on the counterpart accreditation according to its credit ratings, its financial exposure, as well as objective market factors (Credit Default Swaps, market capitalization), as well as an assessment of risk limits.

As of December 31, 2024, "Cash and cash equivalents" and derivatives assets were the most material items subject to counterparty risk.

6.3.6 Liquidity risk

As part of its operating and financing activities, the Group could be exposed to a risk of insufficient liquidity, preventing it from meeting its contractual commitments.

6.3.6.1 Available cash

The Group financing policy is based on the following principles:

- diversification of financing sources between banking and capital markets
- balanced repayment profile of borrowings.

Available cash, composed of cash and cash equivalents (€1,282 million), net of bank overdrafts and liability current accounts (€22 million), amount to €1,260 million as at December 31, 2024.

As of December 31, 2024, the Group specifically had €920 million of confirmed credit facilities, including €90 million already drawn; unused credit facilities thus amounted to €830 million, of which €2 million will be maturing in 2025. These facilities include a €750 million multi-currency club deal, with an initial maturity of 2026 and two one-year extension options, one of which was exercised in January 2023, bringing the new maturity to 2027.

As of December 31, 2024, bank funding accounted for 4.8 % of outstanding borrowings (excluding bank overdrafts and liability current accounts as those elements do not correspond to sustainable financial resources). Funding from capital markets, only composed of bond issues, represented 93.3 % of outstanding borrowings.

6.3.6.2 Undiscounted contractual flows related to borrowings

So as to best reflect the economic reality of operations, cash flows related to derivatives recognized as liabilities or assets shown below correspond to net positions. Values presented in the table below are positive for a liability and negative for an asset.

Undiscounted contractual payments of the principal of borrowings by maturity and type of lenders are as follows:

December 31, 2024 *(in millions of euros)*	Total	**< 1Y**	**[1 to 2Y[**	**[2 to 5Y[**	**> 5Y**
Bonds issues	*5,524*	-	-	*1,550*	*3,974*
Draw downs on credit facilities	*90*	*3*	*44*	-	*44*
Other bank borrowings	*196*	*74*	*35*	*72*	*15*
Other borrowings	*109*	*51*	*5*	*17*	*36*
Borrowings	**5,919**	**127**	**84**	**1,640**	**4,068**
Overdrafts and current accounts	22	22	-	-	-
Outstanding borrowings	**5,940**	**149**	**84**	**1,640**	**4,068**

December 31, 2023 *(in millions of euros)*	Total	< 1Y	[1 to 2Y[	[2 to 5Y[	> 5Y
Bonds issues	*5,490*	*-*	*-*	*1,550*	*3,940*
Draw downs on credit facilities	*13*	*-*	*-*	*-*	*13*
Other bank borrowings	*171*	*45*	*34*	*91*	*2*
Other borrowings	*82*	*10*	*19*	*18*	*36*
Borrowings	**5,757**	**55**	**52**	**1,659**	**3,991**
Overdrafts and current accounts	32	32	-	-	-
Outstanding borrowings	**5,788**	**87**	**52**	**1,659**	**3,991**

Undiscounted contractual payments of borrowing interests can be broken down by maturity as follows:

December 31, 2024 *(in millions of euros)*	Total	< 1 year	[1 à 2 years[	[2 à 5 years[	> 5 years
Undiscounted contractual interest payments on outstanding borrowings	2,166	225	224	612	1,105

December 31, 2023 *(in millions of euros)*	Total	< 1 year	[1 à 2 years[	[2 à 5 years[	> 5 years
Undiscounted contractual interest payments on outstanding borrowings	2,292	220	221	652	1,200

Undiscounted contractual payments on outstanding lease liabilities by maturity date and by nature are presented in note 10.2 Lease debt.

6.3.6.3 Financial covenants

Certain borrowings contracted by Group subsidiaries or by Suez S.A. on behalf of its subsidiaries include clauses requiring certain ratios to be maintained. The definition of these financial covenants are defined by the contractual documentation attached to the borrowing and may potentially be revised over the life of the loan. The breach of such covenants does not necessarily trigger an early repayment of the borrowing. Suez believes that the existence of these covenants does not have a material risk on the Group financial position. As of December 31, 2024, none of these clauses has been activated.

The following table presents borrowings contracted by the Group as of December 31, 2024, in excess of €20 million:

Type	Fixed / Floating rate	Total amount of lines as of Decembrer 31, 2024 *(in millions of euros)*	Amount used as of Decembrer 31, 2024 *(in millions of euros)*	Maturity	Covenant
Bond issues	Fixed rate	750	750	2027	No
Bond issues	Fixed rate	850	850	2030	No
Bond issues	Fixed rate	1 000	1 000	2034	No
Bond issues	Fixed rate	800	800	2028	No
Bond issues	Fixed rate	900	900	2032	No
Bond issues	Fixed rate	724	724	2043	No
Bond issues	Fixed rate	500	500	2033	No
Others borrowings (Italy)	Floating rate	76	76	2047	No
Others borrowings (South Africa)	Floating rate	57	57	2027	Yes
Others borrowings (Macau)	Floating rate	36	36	2027	No
Others borrowings (Australia)	Floating rate	26	26	2034	No
Others borrowings (India)	Floating rate	27	27	2025	No

Note 7 Income tax

The income tax expense for the year includes the current income tax expense and the deferred income tax expense / income. It includes the amount recorded in France for the Company Value Added Tax ("CVAE"), insofar as the Group considers that this tax meets the definition of income tax according to IAS 12 – Income Taxes.

Timing differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax values give rise to the recognition of deferred tax using the enacted or substantially enacted tax rates at the balance sheet date.

However, no deferred tax is recognized for timing differences arising from goodwill for which the impairment loss is not deductible or from the initial recognition of an asset or liability in a transaction that is not a business combination, that does not affect accounting income or taxable income at the date of the transaction, and that does not give rise to a taxable difference in time and a deductible time difference of an equal amount.

A deferred tax asset is recognized only if it is likely that taxable income (against which the deductible time differences can be offset) will be available, or that sufficient taxable time differences will be available and expected to reverse in the period in which the deductible time differences will accrue or in periods in which the tax loss resulting from the deferred tax asset may be carried back or forward.

A deferred tax liability is recognized in respect of temporary differences for which the Group is able to control the date on which the temporary difference will reverse, and to the extent that it is likely that the difference will reverse in the foreseeable future.

Deferred tax balances are determined on the basis of the tax position of each company, or the overall profit or loss of the companies included in the 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 reporting date to take into account, in particular, the impact of changes in tax legislation and the prospects for the recovery of deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

Suez S.A. and a large part of its French subsidiaries are part of a tax consolidation group whose head company is Suez Holding. In accordance with the tax rules in force and the tax consolidation agreements with Suez Holding, losses incurred during a financial year by the subsidiaries during their time within the tax group are automatically transferred to Suez Holding and partial compensation for these losses is awarded to those subsidiaries.

7.1 Income tax expense

7.1.1 Breakdown of the income tax expense

The tax expense recognized in the income statement amounts to €196 million in 2024, compared to €50 million in 2023. The breakdown of this tax expense is as follows:

(in millions of euros)	December 31, 2024	December 31, 2023
Current income tax	(89)	(84)
Deferred taxes	(107)	35
Total income tax expense recognized in profit or loss	**(196)**	**(50)**

7.1.2 Reconciliation between theoretical and actual income tax expense

The reconciliation between the theoretical tax (expense) income and the actual tax (expense) income is presented in the following table:

(in millions of euros)	Notes	December 31, 2024	December 31, 2023
Net income		**(175)**	**(117)**
- Share in net income of associates and joint ventures		179	170
- Income tax expense		(196)	(50)
Income before income tax and share in net income of associates and joint ventures (A)		**(158)**	**(238)**
Of which French companies		*(290)*	*(323)*
Of which companies outside France		*132*	*85*
Statutory income tax rate of SUEZ (B)		25,83%	25,83%
Theoretical tax (expense) / income (C) = (A) x (B)		**41**	**62**
Difference between the normal tax rate applicable to SUEZ and the normal tax rate applicable in jurisdictions in France and outside France	(a)	(3)	(8)
Permanent differences	(b)	(19)	(16)
Income taxed at a reduced rate or tax-exempt	(c)	7	5
Additional tax expense	(d)	(31)	(45)
Effect of unrecognized deferred tax assets on tax loss carryforwards and on other tax-deductible temporary differences	(e)	(201)	(67)
Recognition or utilization of tax assets on previously unrecognized tax loss carryforwards and other tax-deductible temporary differences		1	9
Impact of changes in tax rates		-	(1)
Tax savings and credits		2	1
Other	(f)	7	10
Tax (expense) / income in the income statement		**(196)**	**(50)**
Effective tax rate (actual income tax expense divided by income before income tax and share in net income of associates and joint ventures)		**-124,05%**	**-20,84%**

(a) In 2024, the amount mainly corresponds to the tax calculated on branches for €(5) million.
(b) In 2024, the permanent differences mainly include the update of the value of the GO SUEZ plans for €(5) million, the variation of the LTI plans for €(3) million, the impairment loss on fixed assets for €(4) million.
(c) In 2024, the elements taxed at a reduced or zero rate correspond mainly to the reduced rate taxation of one of the activities (high and new technology) of a Chinese entity
(d) In 2024, additional tax expense mainly includes the Energy Levy tax in the United Kingdom, the shares of fees and charges, withholding taxes on dividends received, as well as the CVAE in France.
(e) In 2024, reduction of deferred tax assets for €(32) million related to the 2023 losses of companies that are members of the French tax group and that have been compensated by Suez Holding, €(30) million of valuation allowance on tax losses of certain French entities either outside the tax group or before they joined the tax group, €(17) million on the losses of French entities which belong to the tax group and that have been transferred to Suez Holding, €(12) million in Asia and €(5) million in the United Kingdom.
(f) In 2024, this amount mainly corresponds to tax adjustments on previous earnings.

7.2 Deferred tax assets and liabilities

The evolution of deferred tax assets and liabilities by nature during the year 2024 is as follows:

(in millions of euros)	December 31, 2023	Scope effects	P&L Impact	Other comprehensive income	Other impacts, include exchange	December 31, 2024
Deferred tax assets						
Tangible and intangible assets - PPA	11	-	(1)	-	7	17
Loss carry-forwards and tax credit	101	-	(53)	-	1	49
Pension obligations	64	-	(2)	1	1	65
Concessions arrangements	19	-	(2)	-	2	20
Non-deductible provisions	113	2	(14)	-	(2)	99
Differences between the carrying amount of PPE and their tax bases	204	-	(29)	-	42	218
Measurement of financial instruments at fair value	80	-	(73)	4	-	11
Other	62	1	(5)	-	(3)	52
Deffered tax netting	*(33)*	-	-	-	*(24)*	*(57)*
TOTAL	**621**	**3**	**(179)**	**5**	**24**	**474**
Deferred tax liabilities						
Tangible and intangible assets - PPA	(759)	(14)	53	-	2	(718)
Differences between the carrying amount of PPE and their tax bases	(239)	(1)	24	-	(32)	(248)
Concessions arrangements	(64)	-	4	-	(3)	(64)
Tax-driven provisions	(24)	-	(4)	-	-	(28)
Measurement of assets and liabilities at fair value	(36)	-	(3)	6	-	(32)
Other	(89)	(2)	(1)	-	(36)	(126)
Deffered tax netting	*33*	-	-	-	*25*	*57*
TOTAL	**(1 179)**	**(17)**	**73**	**6**	**(44)**	**(1 159)**
Net Deffered tax	**(558)**	**(14)**	**(106)**	**11**	**(20)**	**(685)**

In 2024, the €(14) million in scope effects is mainly due to the reallocation of the Devon Contract Waste Group and F&R Cawley Ltd, acquired in 2023, for an amount of €(12) million.

In 2024, the tax effect recognized in "other comprehensive income" is explained by:

- the recognition in other comprehensive income of the amounts received in cash in connection with the unwinding of pre-hedge swaps, qualified as cash flow hedge. These amount have been recorded in other comprehensive income and are amortized in the income statement over the life of the underlying asset (bonds);
- the variation of hedging instruments.

Other flows mainly include currency effects.

Unrecognized deferred tax assets

At each closing date, the Group performs a review of the recoverable amount of deferred tax assets relating to significant tax losses carried forward. Deferred tax assets relating to these tax losses are no longer recognised or are reduced when facts and circumstances specific to each company or tax group indicate that they cannot be recovered, in particular when:

- the horizon of forecasts and the uncertainties of the economic environment make it difficult to assess the level of recoverability;
- Companies have not started to use these losses.

As of December 31, 2024, unrecognized deferred tax assets amounted to €339 million, of which €246 million from tax losses, €68 million from measurement of assets and liabilities at fair value, €21 million from temporary differences.

7.3 Pilar II

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") published a proposal to reform international tax rules, in particular to ensure that large multinational companies pay a minimum tax of 15% on income generated in each of the jurisdictions in which they operate ("Pillar Two").

Following the adoption of the "Pillar Two" directive by the European Union on 15 December 2022, the OECD published simplified procedures that will only apply for the fiscal years 2024 to 2026. During this transition period, provided that certain requirements are met in the country, groups may be exempted from the calculation of the "top-up tax" as provided for in the Pillar Two rules ("Safe Harbor" measures).

The 2024 Finance Law transposed these new rules into the French law. The first application will take place in 2024, with the first declaration to be filed in June 2026.

The Group conducted the "Safe Harbor" tests to determine which jurisdictions should potentially be subject to a top-up tax. As a result of this analysis, an amount of “top-up tax” was determined and recorded at Suez Holding level only insofar as the additional local tax amount to be paid locally by those subsidiaries according to Pillar 2 rules was deemed immaterial.

Note 8 Goodwill

Determination of goodwill

Goodwill is measured as the excess of:

- *the consideration transferred;*
- *the amount of any non-controlling interest in the acquired business; and*
- *in a business combination completed in stages, the fair value of the acquirer's previously held interest in the acquired business.*

over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

The amount of goodwill is definitively set within 12 months from the date of acquisition.

Goodwill relating to investments in associates and joint ventures is recorded under "Investments in associates" and "Investments in joint ventures", respectively.

Goodwill assessment

Like intangible and tangible assets with an indefinite useful life, goodwill is not amortized but is subject to an impairment test at least annually or more often whenever events or circumstances indicate that the carrying amount could not be recovered.

For the Group, such events and circumstances include:

- *for external indicators:*
  - *significant changes in the economic, technological, political or market environment in which the company operates or to which the asset is dedicated;*
  - *decrease in demand;*
- *for internal indicators:*
  - *obsolescence or material degradation not included in the depreciation plan,*
  - *performance lower than expected.*

Goodwill is tested at the level of Cash Generating Units (CGUs) or groups of CGUs, which are homogeneous units that jointly generate cash flows that are largely independent from the cash flows generated by the other CGUs.

Impairment tests are performed by comparing the carrying value of the CGU or group of CGUs to their recoverable amount at the closing date. The recoverable value of a CGU is based on the higher of its fair value less cost to sell and its value in use.

The value in use is determined using discounted projections of operating cash flows and a terminal value.

After tax discount rates are applied to after-tax cash flows. Such methodology results in the determination of recoverable values identical to those obtained by using pre-tax rates to pre-tax cash flows, as required by IAS 36.

When the recoverable value is less than its carrying amount, an impairment loss is recognized in "Impairment loss on property, plant and equipment, intangible and financial assets" in the income statement. Impairment losses recognized on goodwill cannot subsequently be reversed.

When a CGU or part of a CGU is sold, the share of goodwill corresponding to the scope disposed of is taken into account in the carrying amount of the net assets used to determine the gain or loss made on the disposal. The share of goodwill is measured based on the relative value of the scope disposed of within the CGU or group of CGUs.

8.1 Changes in the carrying amount

(in millions of euros)	Gross amount	Impairment losses	Carrying amount
December 31, 2022 restated	**4 459**	**-**	**4 459**
Scope variations	112	-	112
Impairment losses	-	-	-
Translation differences	(29)	-	(29)
Other	-	-	-
December 31, 2023	**4 542**	**-**	**4 542**
Scope variations	(45)	-	(45)
Impairment losses	-	-	-
Translation differences	79	-	79
Other	(2)	-	(2)
December 31, 2024	**4 574**	**-**	**4 574**

In 2024, scope changes mainly relate to:

- The purchase price allocation of Devon and Cawleys (acquisitions in the United Kingdom in 2023) resulting in a reduction of goodwill for €7 million and €28 million, respectively;
- Goodwill associated to the sale of two companies accounted for under the equity method in Asia, Sanya and Digital JV, for a total amount of €15 million.

Translation differences mainly concern the yuan and the pound sterling for €27millions and €54 million, respectively.

In 2023, scope changes mainly related to the acquisition of:

- Devon Contract Waste and F&R Cawley Ltd on the R&R UK perimeter for €80 million;
- Scori on the IWS perimeter for €37 million;
- Sotreco and Nextri on the R&R France perimeter for €11 million;
- Other non-significant acquisitions for €8 million.

These acquisitions were partly offset by the disposal of CDES, Evolis and EQM UK within the Digital Solutions (formerly known as SES) perimeter for a total of €24 million.

8.2 Goodwill by Cash Generating Units

The breakdown of goodwill by CGU is as follows:

(in millions of euros)	**Operating segments**	December 31, 2024	**December 31, 2023**
CGU			
Water France	Water	1 329	1 329
Water Asia	Water	780	767
Water Southern Europe	Water	60	60
Water Europe Centrale	Water	58	59
Water AMECAI	Water	210	210
Water Australie	Water	19	20
Consulting	Water	20	20
Digital Solutions	Other activities	31	33
R&R France	Recyclage and Recovery	566	564
R&R UK	Recyclage and Recovery	1 165	1 147
IWS	Recyclage and Recovery	326	326
Enviroserv	Recyclage and Recovery	6	8
R&R AMECAI	Recyclage and Recovery	2	-
Water Northern Europe	Recyclage and Recovery	2	-
Total		4 574	4 542

8.3 Impairment tests

All CGUs to which a significant amount of goodwill is allocated were subject to an impairment test as of December 31, 2024.

The recoverable amount of each CGU was determined as follows:

- cash flow forecasts established over 5 years (2025-2029). They are based on the operating conditions planned by the Executive Committee, in particular the duration of the contracts, changes in regulated tariffs, and future market perspectives;
- a terminal value calculated beyond the horizon of the plan, using a long-term growth rate (2.0% at December 31, 2024 and December 31, 2023);
- a discount rate specific to each CGU based on specific business, country and currency risks. Some CGUs generate cash flows in more than one country. For these CGUs, the discount rate, long-term growth rate and corporate tax rate were calculated by weighting the rates by the respective cash flows of each country that constitutes the CGU;
- for listed entities, the fair value is determined based on the consensus on the share price at the closing date and is included in the fair value of the CGU to which the entity belongs.

Discount rates used for each CGU are as follows:

Cash generating units	Discount rates December 31, 2024	**Discount rates December 31, 2023**
Water France	5,5%	5,8%
Water Asia	6,0%	6,0%
Water Southern Europe	7,0%	6,5%
Water Central Europe	6,0%	6,1%
Water AMECAI	7,5%	8,8%
Water Australie	5,0%	5,2%
Consulting	9,0%	6,2%
Digital Solutions	10,0%	8,7%
R&V France	6,5%	6,6%
R&R UK	6,5%	6,6%
IWS	6,0%	6,5%
Enviroserv	9,0%	9,8%
R&R AMECAI	8,9%	n/a

No impairment loss was recognized as of December 31, 2024.

8.4 Sensitivity to valuation parameters

Impairment test results are sensitive to valuation parameters, as well as operational assumptions.

More specifically, a sensitivity analysis was carried out on the recoverable value of each CGU determined for the impairment tests based on an increase in discount rates of 100 basis points and a decrease in the long-term growth rates of 100 basis points, taken separately.

These assumptions of variations are considered reasonable in view of the Group activities and the geographical areas in which the Group operates.

An increase in discount rates of 100 basis points and a decrease in the long-term growth rate of 100 basis points would result in an impairment of goodwill of:

- R&R UK for €448 million and €379 million, respectively;
- R&R France for €114 million and €28 million, respectively;
- Water Central Europe for €32 million and €35 million, respectively; and
- R&R AMECAI for €2 million.

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Note 9 Tangible and intangible assets

Initial recognition and subsequent measurement

Intangible and tangible assets are measured at cost less accumulated depreciation and any impairment loss.

They are initially recognized at their acquisition or production cost.

Investment subsidies are deducted from the gross value of assets for which they have been received.

Upon initial recognition, the cost of the asset includes site restoration costs provided there is, at the date of acquisition, a current, legal, or implicit obligation to restore the site. In that case, a provision is recognized with a component of the asset as a counterpart.

The Group applies IAS 23, which involves capitalizing borrowing costs incurred during the construction period of the qualifying asset.

Depreciation

Using a component-based approach, the Group uses different depreciation periods for each significant component of the same fixed asset when one of these components has a significantly different useful life than the main asset to which it relates.

Depreciation is generally calculated on a straight-line basis over the useful life of the asset.

Main useful lives used are as follows:

Main depreciation periods *(in years)*

Buildings[(a)]	3 à 80
Plant and equipment	2 à 70
Transport equipment	3 à 14

[(a)] *including fittings.*

For assets recognized in connection with site restoration provisions, they are amortized using the method specified in Note 13.

Intangible assets are amortized based on the expected pattern of consumption of future economic benefits of the asset. Amortization periods by type of asset are presented in the table below:

Useful life *(in years)*	***Minimum***	***Maximum***
Concession rights – duration of contracts	*10*	*50*
Customer portfolios	*10*	*32*
Other intangible assets	*1*	*40*

Some intangible assets (such as the trademark), with an indefinite useful life, are not amortized but are subject to an annual impairment test.

Impairment of tangible and intangible assets

For intangible assets with an indefinite useful life, impairment tests are systematically carried out on an annual basis.

For tangible and intangible assets with finite useful lives, impairment tests are performed whenever there is an indication of impairment. This generally arises from significant changes in the operating environment of the asset or from an economic performance lower than expected.

The main indicators of impairment that may be identified by the Group are presented in Note 8.

Tangible or intangible assets are tested at the level of the relevant group of assets (individual asset or Cash Generating Unit) determined in accordance with the provisions of IAS 36. The recognition of an impairment loss results in a reassessment of the carrying amount and potentially of the amortization plan of the related assets.

Impairment losses related to tangible or intangible assets may be reversed if the recoverable amount subsequently becomes higher than the carrying amount. The asset value after reversal of the impairment loss is capped at the carrying amount net of amortization, as if no impairment loss had been recognized in previous periods.

To assess the recoverable amount of tangible assets, intangible assets, and goodwill, they are, if applicable, grouped into Cash Generating Units (CGUs) whose carrying amounts and recoverable amounts can be compared. The determination of recoverable amounts is presented in Note 8.

Impairment losses are recognized in "Impairment loss on property, plant and equipment, intangible and financial assets " in the income statement.

Intangible assets arising from concession contracts

The Group manages concession contracts within the scope of the IFRIC12 interpretation in the fields of drinking water distribution, sanitation and waste treatment. The rights granted to the Group as concessionaire on infrastructure that falls within the scope of IFRIC 12 and that correspond to the intangible asset model are accounted for under this heading. The intangible asset corresponds to the rights to charge users along with the rights to use the infrastructure made available by the licensor to carry out a public service for a fixed payment (see Note 5).

Research and development costs

Research and Development activities correspond to various studies relating to technological innovation, the improvement of the efficiency of installations, safety, environmental protection and quality of service.

Research costs are recorded as expenses in the period they are incurred.

Development costs are recognized as assets when the criteria for the recognition of an asset as set out in IAS 38 are met. The intangible asset arising from capitalized development costs is amortized over its useful life.

Software

Software excluding Software as a Service (SaaS) contracts: Internal and external costs directly incurred during the purchase or development of software are capitalized as intangible assets, including subsequent improvements, where they are likely to generate future economic benefits attributable to the Group. Software is amortized on a straight-line basis over useful lives ranging from one to eight years, with some exceptions.

SaaS contracts: If the Group does not control a SaaS solution, the related development costs (external and internal) are accounted for as follows: (a) as an expense when incurred for internal costs and the costs of an integrator not related to the SaaS vendor, and (b) as an *expense spread over the term of the SaaS contract for the costs of the SaaS vendor or its subcontractor. If the Group controls a SaaS solution, the costs are capitalized if they meet the criteria of IAS 38.*

9.1 Intangible assets evolution

The evolution of intangible assets is as follows:

(in millions of euros)	**Software**	**Concession-related intangible assets**	**Customer relationships**	**Other** [(a)]	Total
A. Gross amount					
At December 31, 2022	**198**	**926**	**2 708**	**560**	**4 392**
Changes in scope of consolidation	(7)	-	3	42	38
Acquisitions	26	198	-	32	256
Disposals	(33)	(35)	-	-	(67)
Translation adjustments	-	(8)	(9)	(3)	(20)
Other	35	18	-	(19)	34
At December 31, 2023	**219**	**1 099**	**2 702**	**613**	**4 633**
Changes in scope of consolidation	-	-	57	-	57
Acquisitions	1	135	-	22	158
Disposals	-	-	-	(2)	(2)
Translation adjustments	-	27	43	4	74
Other	50	(15)	-	(6)	29
At December 31, 2024	270	1 246	2 802	631	4 949
B. Accumulated depreciation and impairment					
At December 31, 2022	**(33)**	**(129)**	**(99)**	**(35)**	**(296)**
Depreciation	(45)	(142)	(144)	(45)	(377)
Impairment losses	1	2	-	1	4
Disposals	32	34	-	(1)	66
Translation adjustments	-	-	2	-	2
Changes in scope of consolidation	6	-	-	-	6
Other	(1)	24	-	(4)	19
At December 31, 2023	**(40)**	**(212)**	**(240)**	**(85)**	**(577)**
Depreciation	(49)	(143)	(148)	(45)	(386)
Impairment losses	-	-	(1)	(2)	(3)
Disposals	-	-	-	2	2
Translation adjustments	-	(15)	(3)	(1)	(20)
Changes in scope of consolidation	-	-	1	-	1
Other	(1)	(20)	-	(2)	(23)
At December 31, 2024	(90)	(390)	(392)	(134)	(1 006)
C. Carrying Amount					
At December 31, 2022	165	797	2 609	525	4 096
At December 31, 2023	179	888	2 462	528	4 056
At December 31, 2024	180	856	2 410	497	3 943

(a) Mainly includes the Suez brand and the rights attached to prefectural authorizations allowing the operation of landfill sites

In 2024, changes in intangible assets are mainly due to:

- Acquisitions for €158 million, mainly in connection with intangible rights arising from concession contracts, mainly related to Water France for €75 million, R&R France for €35 million and Italy for €16 million;
- Amortization for €(386) million;
- The purchase price allocation of Cawleys and Devon acquisitions for €38 million and of China Water for €20 million;
- Translation differences on the net value of intangible assets due to the impact of the increase in the pound sterling for €39 million, the impact of the Macau pataca for €9 million and the rise in the Yuan for €8 million;
- The line “Other” mainly corresponds to the activation of software developed internally.

As of December 31, 2024, customer relationships amounted to €2,410 million and resulted from the allocation of the various purchase price allocations carried out in 2022 (New Suez for €1,503 million), 2023 (IWS for €151 million, Suez R&R UK for €697 million and EnviroServ for €3 million) and 2024 (R&R UK for €38 million and China Water for €20 million).

As of December 31, 2024, the value of trademarks, patents and licenses, included in the "Other" column, amounted to €210 million, compared to €240 million in 2023, including the Suez brand for €138 million.

Expenses related to internal projects in the development phase that meet the criteria for recognition as an intangible asset are presented in the "Other" column and represent €12 million in 2024 and €7 million in 2023, compared with €78 million in 2024 and €63 million in 2023 for Research and Development expenses that were expensed in the income statement.

9.2 Tangible assets evolution

The evolution of tangible assets is as follows:

(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, 2022	**411**	**437**	**1 072**	**52**	**842**	**328**	**41**	**3 183**
Changes in scope of consolidation	22	15	54	11	-	3	(3)	102
Acquisitions	5	40	78	8	-	235	6	371
Disposals	(4)	(10)	(41)	(3)	-	-	(3)	(60)
Translation adjustments	3	1	3	1	3	(0)	1	12
Other	33	75	48	14	(36)	(198)	4	(60)
At December 31, 2023	**469**	**558**	**1 215**	**84**	**810**	**368**	**45**	**3 549**
Changes in scope of consolidation	4	7	(5)	8	3	3	(1)	18
Acquisitions	1	16	33	9	-	437	5	500
Disposals	-	(4)	(26)	(2)	3	-	(1)	(31)
Translation adjustments	27	6	32	4	7	1	2	80
Other	169	(24)	98	31	(28)	(338)	4	(88)
At December 31, 2024	670	559	1 346	132	795	471	55	4 029
B. Accumulated depreciation and impairment								
At December 31, 2022	**(23)**	**(38)**	**(149)**	**(10)**	**(842)**	**2**	**(8)**	**(1 068)**
Depreciation	(55)	(59)	(172)	(16)	(0)	-	(11)	(313)
Impairment losses	(1)	(3)	(4)	(1)	-	-	(0)	(9)
Disposals	2	3	27	2	-	0	3	36
Translation adjustments	(7)	(2)	(11)	(1)	(3)	-	(1)	(25)
Changes in scope of consolidation	(8)	0	(29)	(6)	-	-	2	(41)
Other	(0)	(2)	2	1	36	(2)	(0)	35
At December 31, 2023	**(92)**	**(100)**	**(336)**	**(32)**	**(810)**	**0**	**(15)**	**(1 384)**
Depreciation	(53)	(62)	(191)	(17)	-	-	(11)	(335)
Impairment losses	(1)	(9)	(8)	-	-	-	-	(17)
Disposals	-	1	15	2	(3)	-	1	16
Translation adjustments	(19)	(4)	(22)	(3)	(7)	-	(2)	(58)
Changes in scope of consolidation	(1)	-	3	(6)	(3)	-	1	(6)
Other	(89)	95	(13)	(5)	28	2	1	17
At December 31, 2024	(255)	(80)	(552)	(62)	(795)	2	(26)	(1 767)
C. Carrying Amount								
At December 31, 2022	388	399	923	42	-	330	33	2 115
At December 31, 2023	378	458	879	52	-	368	30	2 165
At December 31, 2024	415	479	795	70	-	473	29	2 261

In 2024, changes in tangible assets are mainly related to:

- Acquisitions for €500 million, including mainly €298 million for R&R France and €62 million for Suez Corporate;
- Amortization for €(335) million;
- The acquisition of SEGOR for €2 million, ARA Cursus for €5 million and Devon and Cawleys for €9 million;
- Disposal of Serpram for €3 million and DH Perfuraçao de Poços Ltda for €1 million;
- Translation differences on the net value of tangible assets mainly arise from the British pound for €13 million, the Yuan for €5 million and the South African rand for €5 million;
- Dismantling costs represent the obligations to redevelop and monitor waste storage sites over the long term.

9.3 Intangible and tangible assets pledged as collateral

The intangible and tangible assets pledged as collateral to cover financial debts amount to €77 million as of December 31, 2024, of which €67 million in South Africa.

9.4 Contractual commitments for the acquisition of tangible assets

Contractual commitments to invest in intangible and tangible assets made by the Group amount to €536 million as of December 31, 2024.

Note 10 Lease contracts

The Group enters in lease contracts mainly for real estate, vehicles, and construction machinery. The duration of contracts varies greatly depending on the nature of the leased asset.

Lease liabilities and right-of-use assets are recognized at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rates since implicit rates are not readily available.

To determine the incremental borrowing rate, Suez uses the Group bond credit spread, adjusted by maturity, and adds sovereign interest rates by country for each maturity. The interest rates thus determined are those of amortizable debts. The lease liability is subsequently increased by the interest cost and decreased by lease payments made.

Variable lease payments, which vary based on the extent of use of the leased assets, are recognized as operating expenses in the period in which the event or condition triggering the obligation occurs.

For the discounting of these leases, as the implicit interest rates of the contracts are difficult to determine, the Group generally uses the marginal debt ratios of the entities carrying the leases. To do this, Suez determines the group's bond credit spread, adapts this spread by maturity, and adds the sovereign interest rates per country for each maturity. The interest rates thus determined are those of amortizing debts. After the contracts take effect, the lease debts are increased by financial interest and reduced by the amounts of rent paid

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred, less any lease incentive.

After the commencement date, right-of-use assets are amortized on a straight-line basis over the lease term. However, a right-of-use asset is amortized over the useful life of the leased asset if the Group has reasonable certainty that it will exercise the purchase option for that asset.

Right-of-use assets are impaired as a standalone asset if there is an indication of impairment or at the cash-generating unit level, following the same criteria applied to other depreciable non-current assets.

The carrying amounts of lease liabilities and rights of use are adjusted whenever there is an amendment to a lease contract or a significant change in facts and circumstances in the hands of the lessee.

Exemptions

The Group does not apply the single lessee accounting model for the following lease types:

- *leases with a term of 12 months or less if these leases do not include options to purchase the leased assets.*
- *leases for assets with a single-unit fair value of less than €5,000.*

Lease payments benefiting from these exemptions are recognized as operating expenses when incurred.

Duration of the lease is defined on a contract-by-contract basis, taking into account, in particular, the duration of the extension of the contract (i.e. if the contract includes an option to extend the lease at the hands of the lessee and the lessee has reasonable certainty of exercising it), as well as the period during which the lessee can exercise an option to terminate the contract (i.e. if the lessee has a reasonable certainty that he will not exercise this option). It mainly corresponds to the non-cancellable period of each contract, except in cases where the Group is reasonably certain to exercise the renewal options provided for in the contract.

10.1 Right-of-use assets

Changes in right-of-use assets by asset class can be presented as follows:

(in millions of euros)	Lands	Buildings	Plant machinery and technical equipment	Vehicles	Others	Total
At December 31, 2022	**37**	**253**	**23**	**221**	**1**	**535**
Scope effects	-	(3)	(2)	2	-	(3)
Asset inflows	0	54	(4)	190	0	240
Impairment loss	-	0	-	-	-	0
Amortization	(9)	(77)	(4)	(93)	(1)	(183)
Termination	-	(11)	(2)	(24)	(0)	(37)
Translation effects	(0)	0	0	0	(0)	0
Other	0	(0)	0	(0)	-	(0)
At December 31, 2023	**28**	**217**	**11**	**297**	**1**	**553**
Scope effects	-	1	1	3	-	5
Asset inflows	5	171	10	158	0	344
Impairment loss	-	(0)	-	-	-	(0)
Amortization	(10)	(80)	(5)	(104)	(0)	(199)
Termination	(0)	(3)	(0)	(1)	-	(4)
Translation effects	(0)	1	0	1	(0)	3
Other	0	(0)	(0)	0	-	(0)
At December 31, 2024	**23**	**307**	**17**	**354**	**0**	**701**

10.2 Lease debt

As of December 31, 2024, discounted future lease payments by maturity are broken down as follows:

(in millions of euros)	Total	< 1 y	[1 & 2 years[	[2 & 5 years]	> 5 years
At December 31, 2024	730	142	118	216	253
At December 31, 2023	560	153	97	171	139

Non-discounted future lease payments by maturity are broken down as follows:

(in millions of euros)	Total	< 1 y	[1 & 2 years[	[2 & 5 years]	> 5 years
At December 31, 2024	846	161	126	283	277
At December 31, 2023	611	155	112	186	158

Cash outflows related to lease contracts are broken down as follows:

(in millions d'euros)	December 31, 2024	December 31, 2023
Repayment of the lease debt	183	177
Interest expense related to lease liabilities	18	6
Rental expenses benefiting from exemptions under IFRS 16	138	132
Cash outflows related to leases	**339**	**314**

10.3 Lease expenses benefiting from IFRS 16 exemptions

The following items remain presented as lease expenses:

(in millions of euros)	December 31, 2024	December 31, 2023
Short term leases	58	68
Leases of low-value assets	2	15
Expenses on variable leases	9	2
Non-lease components and other	69	47
Total	**138**	**132**

Note 11 Investments in joint ventures and associates

(in millions of euros)	Investments in joint ventures	Investments in associates	Total
December 31, 2022	**623**	**2 067**	**2 690**
Acquisitions and capital increase	3	9	12
Disposals	(10)	-	(10)
Dividends	(27)	(118)	(145)
Net income	47	124	170
Translation adjustements	(34)	(44)	(78)
Other	(0)	(35)	(35)
December 31, 2023	**601**	**2 004**	**2 604**
Acquisitions and capital increase	14	58	72
Disposals	(34)	(24)	(58)
Dividends	(24)	(81)	(105)
Net income	48	131	179
Translation adjustements	20	29	49
Other	(12)	9	(3)
December 31, 2024	**612**	**2 126**	**2 738**

11.1 Investments in joint ventures

As of December 31, 2024, the most significant investments are the Chinese joint ventures jointly owned by local concession-granting authorities. They encompass 33 different legal entities, with 3 entities representing over 50% of the amount presented in investments in joint ventures.

(in millions of euros)	Carrying amount of investments in joint ventures		Share in net income/ (loss) of joint ventures	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Chinese JV's	567	559	46	49
of which Jiangsu Sino French Water Company Ltd	*103*	*94*	*8*	*7*
of which Chongqing Sino French Water Supply Co. Ltd.	*167*	*154*	*9*	*14*
Other (individual contributions < 1.5% of the total amount)	45	42	1	(3)
Total	**612**	**601**	**48**	**47**

(in millions of euros)	December 31, 2024	December 31, 2023
Net income	48	47
Other comprehensive income (OCI)	19	(33)
Comprehensive income	**67**	**13**

11.2 Investments in associates

The equity interests and share in net income in associates are broken down as follows:

(in millions of euros)	Carrying amount of investments in associates		Share in net income/ (loss) of associates	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Acea Group	937	898	82	63
Suyu Group	676	635	35	32
Other (individual contributions < 10% of the total amount)	522	470	23	28
Total	**2 135**	**2 004**	**140**	**124**

(in millions of euros)	December 31, 2024	December 31, 2023
Net income	140	124
Other comprehensive income (OCI)	31	(59)
Comprehensive income	**171**	**64**

The most significant equity investments in associates are the Acea Group and the Suyu Group.

The Acea Group, in which Groupe Suez holds a 23.33% stake, is listed on the Milan Stock Exchange. As of December 31, 2024, the carrying value of Acea in the Group's statement of financial position amounts to €937 million (this value includes the amounts arising from the allocation of the purchase price performed in 2022). Based on the share price at December 31, 2024, the market value of the Acea Group amounts to €928 million.

Summary of the financial position of the Acea Group

(in millions of euros)	December 31, 2024	December 31, 2023
Non-current assets	9 731	9 193
Current assets	2 314	2 576
of which Cash and cash equivalents	*514*	*359*
Assets related to discontinued operations	181	18
Total Assets	**12 226**	**11 787**
Shareholders' equity, Group share	2 505	2 377
Non-controlling interests	371	446
Total Shareholders' equity	**2 876**	**2 823**
Non-current liabilities	5 982	5 616
Current liabilities	3 357	3 348
Liabilities directly associated with assets related to discontinued operations	12	0
Total Liabilities and Shareholders' equity	**12 226**	**11 787**
Dividends paid	**187**	**181**

Summary of the income statement of the Acea Group

(in millions of euros)	December 31, 2024	December 31, 2023
Revenues	4 050	4 430
Gross operating income	1 557	1 391
Current operating income	703	612
Net income - group share	332	294
Net income - non-controlling interests	41	34
Net income	**372**	**327**
Other comprehensive income (OCI)	(22)	(56)
Comprehensive income	351	272

The other significant equity investment in associates is Derun Environment, in which Suyu Group, wholly owned by the Group, holds a 25.1% stake.

Summary of the financial position of the Suyu Group

(in millions of euros)	December 31, 2024	December 31, 2023
Non-current assets	780	737
Current assets	1	1
of which Cash and cash equivalents	*1*	*1*
Total assets	**781**	**738**
Shareholders' equity, Group share	691	651
Non-controlling interests	-	-
Total shareholders' equity	**691**	**651**
Non-current liabilities	66	64
Current liabilities	23	23
Total shareholders' equity and liabilities	**781**	**738**
Dividends paid	**19**	**13**

The "Non-current Assets" item of Suyu includes equity investments accounted for using the equity method in "Derun Environment".

Summary of the income statement of the Suyu Group

(in millions of euros)	December 31, 2024	December 31, 2023
Revenues	-	-
Gross operating income	(0)	0
Current operating income	(0)	0
Net income - group share	33	31
Net income - non-controlling interests	-	-
Net income	**33**	**31**
Other comprehensive income (OCI)	4	(43)
Comprehensive income	**36**	**(12)**

Note 12 Shareholders' equity

12.1 Equity management

Suez continuously seeks to optimize its financial structure by balancing its net financial debt with its equity. The Group's primary objective in managing its financial structure is to maximize shareholder value, reduce the cost of capital, maintain a strong credit rating, and ensure the desired financial flexibility to seize value-creating external growth opportunities. The Group manages and adjusts its financial structure to respond to evolving economic conditions.

12.2 Share capital

As of December 31, 2024, the individual share capital of Suez S.A. is made up of 6,379,988,078 shares of which 6,328,187,416 ordinary shares and 51,800,662 preferred shares with a nominal value of € 0.01. Out of this number of shares, 146,096,556 ordinary shares and 51,800,662 preferred shares are considered debt instruments in the consolidated financial statements.

				Value *(in millions of euros)*	
	Number of shares	**Ordinary shares**	**Preference shares**	**Share capital**	**Additional paid-in capital**
Nb of shares part of the statutory share capital	6 378 313 176	6 326 512 514	51 800 662	63	5 946
Employee share plan (reclassification in debt instruments)	(197 897 218)	(146 096 556)	(51 800 662)	(1)	(138)
At December 31, 2023 - Outstanding nb of share capital	**6 180 415 958**	**6 180 415 958**	**-**	**62**	**5 808**
Capital increase of July 2024, 5	500 000	500 000	-	-	-
Capital increase of July 2024, 19	175 926	175 926	-	-	-
Capital increase of July 2024, 20	998 976	998 976	-	-	-
Nb of shares part of the statutory share capital	6 379 988 078	6 328 187 416	51 800 662	63	5 946
Employee share plan (reclassification in debt instruments)	(197 897 218)	(146 096 556)	(51 800 662)	(1)	(138)
At December 31, 2024 - Outstanding nb of share capital	**6 182 090 860**	**6 182 090 860**	**0**	**62**	**5 808**

The capital increases of July 5, 19 and 20, 2024 for respectively 500,000, 175,926 and 998,976 new SUEZ shares with a nominal value of €0.01 correspond to the attribution of free shares to certain employees and/or corporate officers for which the vesting period had ended. The capital increase resulting from the issue of these new shares is presented as a reduction of "Additional paid in capital".

12.3 Dividends distributions

In accordance with the resolutions passed by the General Meeting of Shareholders of Suez S.A. on June 14, 2024, no dividend was paid by Suez S.A. in 2024.

12.4 Non-controlling interests

Non-controlling interests in subsidiaries consolidated using the full consolidation method are considered elements of equity.

At December 31, 2024, "non-controlling interests" amount to €452 million and can be broken down as follows:

(in millions of euros)	December 31, 2024	December 31, 2023
Macau Water & Shanghai Chemicals industrial (Asia Pacific)	173	155
Nuove Acque (Italy)	66	63
Prospect Water Partnership (Australia)	56	59
Boone Comenor	41	52
Czech Republic	42	46
EnviroServ (South Africa)	39	28
Other	35	21
TOTAL	**452**	**424**

The Asia-Pacific line corresponds to (i) the 15% share held by non-controlling interests in Macau Water, measured at fair value upon the acquisition by Suez of certain activities from Veolia in 2022; this company manages the water supply concession contract with the Government of Macao SAR in order to provide the city with all water management services, and to (ii) the 50% share held by non-controlling interests in Shanghai Chemical Industrial Park SFWD, and measured at fair value upon the acquisition by Suez of certain activities from Veolia in 2022; this company is responsible for industrial water supply and wastewater treatment for the Shanghai Chemical Industrial Park.

The Nuove Acque line corresponds to non-controlling interests held by public shareholders of Nuove Acque for 54%. It is also held by the private shareholder Intesa Aretina Scarl for 46%. Intesa Aretina Scarl is 61% owned by the Suez Group. Nuove Acque S.p.A. was established in 1999 to manage the integrated water service in the A.T.O. (Ambito Territoriale Ottimale) No. 4 Alto Valdarno, which includes 30 municipalities in the province of Arezzo and 5 in the province of Siena.

The Prospect Water Partnership line corresponds to the 49% non-controlling interests in UniSuper. Operated by SUEZ since 1993 under an extended build-operate-transfer contract currently running until 2035, PWFP is Australia's largest water filtration plant and provides drinking water to 85% of Sydney's population, i.e. about four million inhabitants.

The Boone Comenor line corresponds to the non-controlling interests in all entities of the joint-venture Boone Comenor Metalimpex, held by Suez at 73 % and by Renault for the remaining 27%.

The Czech Republic line corresponds to non-controlling interests in Czech entities (overall owned 50% by Suez).

The Enviroserv line corresponds to the 49% acquired by Suez's partners (RBH and AIIM).

Note 13 Provisions and contingent liabilities

The Group recognizes a provision when the Group has, at the reporting date, a present obligation (legal or implicit) towards a third party as a result of past events, that it is probable that an outflow of resources will be required to settle this obligation without any expected return, and the amount can be reliably quantified.

A provision for restructuring is recognized when the general criteria for establishing a provision are met, there is a detailed formalized plan, and the Group has created, among those affected, well-founded expectations that it will implement the restructuring plan, by either commencing the execution of the plan or announcing its main characteristics to them.

Provisions with a maturity exceeding 12 months are discounted if the effect of discounting is significant. Discount rates used reflect the current assessment of the time value of money and specific risks associated with the liability. Effects related to the unwinding of the provisions are recognized in the consolidated income statement under "Other financial income and expenses."

The main types of long-term provisions, excluding provisions for post-employment benefits, are provisions for site restoration (Recycling and Recovery activities).

Whenever there is a current, legal, or implicit obligation to restore a site, the Group recognizes a provision for site restoration against a tangible asset. Adjustments to the amount of the provision following a subsequent revision of the outflow of resources, the occurrence date of the restoration, or the discount rate are symmetrically offset against or added to the cost of the corresponding asset.

13.1 Change in provisions

(in millions of euros)	December 31, 2023	Additions	Releases (used)	Releases (unused)	Unwinding effects [a]	Reclassification	Translation adjustments	Scope effects	Others	December 31, 2024
Post-employment benefit obligations and other long-term	275	11	(26)	0	10	1	2	0	8	281
Risks on subsidiaries	16	1	(1)	-	-	(8)	-	-	-	8
Warranties	8	5	(5)	-	-	-	(0)	-	-	8
Tax risks, other disputes and claims	48	29	(10)	(20)	-	(0)	0	(0)	-	47
Site restoration [b]	805	77	(71)	-	(28)	(0)	7	3	-	793
Restructuring costs [c]	19	7	(9)	-	-	(0)	0	-	-	17
Reinsurance costs [d]	59	5	-	-	-	-	-	-	-	65
Other contingencies [e]	90	36	(23)	(24)	1	15	0	1	-	97
Total Provisions	**1 319**	**173**	**(145)**	**(43)**	**(17)**	**8**	**9**	**3**	**8**	**1 315**
Total current provisions	149	75	(42)	(43)	0	22	1	(0)	(0)	161
Total non-current provisions	1 170	98	(103)	0	(17)	(14)	8	4	8	1 154

(a) The discount effect on post-employment and other long-term benefits is the interest expense calculated on the net amount of pension liabilities and the fair value of plan assets.
(b) Site restoration provisions include provisions for decommissioning and provisions for site remediation.
(c) See Note 5.2.2
(d) Corresponds to the reinsurance activity of Suez Ré
(e) See Note 13.5

Provisions amounted to €1,315 million as of December 31, 2024, including €712 million in R&R France, €135 million in the Hazardous Waste activity and €132 million in the Water France activity.

The movements of provisions presented in the table above are broken down as follows in the consolidated income statement as of December 31, 2024:

(in millions d'euros)	Net reversals 2024	Net reversals 2023
Income from operating activities	(15)	(16)
Other financial income and expenses	(17)	(27)
Total	**(32)**	**(43)**

Analysis by nature of provisions and the principles applicable to their calculation are set out below.

13.2 Post-employment and other long-term benefits

The variation of this item is presented in Note 14.

13.3 Tax risks, other disputes and claims

This item includes provisions related to ongoing proceedings, concerning staff or social organizations (litigations on social security contributions, etc.), ongoing litigations in the normal course of the Group's activity (customer claims, disputes with suppliers), and tax disputes.

The Group is engaged in the normal course of its business in several disputes and litigations with third parties or with the tax authorities of certain countries.

As of December 31, 2024, provisions raised in this respect amount to €47 million, including:

- €8 million for tax litigation excluding corporate tax;
- €31 million for numerous disputes on contracts, mainly in France;
- €8 million relating to disputes against staff and social organizations, mainly in France.

13.4 Site reconstruction

Regarding provisions for restoration and long-term monitoring of landfills, they are calculated site by site and are built during the operating life of the site in proportion to the consumption of the excavation void. Costs that will have to be incurred at the time the site is closed or during the long-term monitoring period (30 years in general within the European Union once the site is closed, 20 years in France pursuant to the ministerial decree of February 15, 2016, followed by a 5-year renewable monitoring period, and 60 years in Great Britain) are updated on a regular bases. An asset is recognized against the provision and is amortized at the rate of the consumption of the excavation void or the need for cover, i.e. during the financial year.

The calculation of the provision for restoration (when the storage center is closed) depends on the type of cover chosen: semi-permeable, semi-permeable with drain, or waterproof. This choice has a significant impact on the level of future leachate production and therefore on the future costs of treating this effluent. The calculation of this provision requires an assessment of the cost of restoration of the surface left to be covered. The provision recorded in the statement of financial position at the end of the period must allow for the restoration of the part not yet treated (difference between the filling rate and the percentage of the surface of the site already restored). Each year, the provision is reassessed based on the work carried out to date and the work left to be performed.

The calculation of the provision for long-term monitoring depends on the costs associated with the production of leachate and biogas. The main components of long-term follow-up expense are:

- The construction of infrastructure (biogas recovery unit, leachate treatment plant) and demolition work of facilities used during the period of operations,
- Maintenance and repair of cover and infrastructure (surface water collection),
- Control and monitoring of surface water, groundwater and leachate,
- Replacement and repair of control points (piezometers),
- Leachate treatment costs,
- Expenses related to the collection and treatment of biogas.

The provision for long-term monitoring to be included in the statement of consolidated financial position at the end of the period is based on the occupancy rate of the storage facility at the end of the period, the estimated total expenses per year and per item (based on standard or specific costs), the estimated date of closure of the site and the discount rate used for each site (based on its remaining life).

As of December 31, 2024, these provisions mainly concern R&R France entities for €544 million, Suez R&R UK for €132 million, IWS for €95 million and EnviroServ entities for €22 million.

13.5 Other risks

Other risks mainly include provisions for risks related to personnel, the environment and various business risks. As of December 31, 2024, these mainly include losses at completion on construction contracts, as well as provisions for miscellaneous risks for €73 million (including €36 million related to the Waste business and €32 million related to the Water business).

Note 14 Post employment benefit obligations and other long-term benefits

Suez and its subsidiaries offer various employee benefits through defined contribution and defined benefit plans:

- ***Defined contribution plans**: plans for which the Group (or an entity within the Group) pays a fixed contribution to a separate entity, which exempts it from any additional payment. These obligations are recognized as expenses when due.*
- ***Defined benefit plans**: plans that do not meet the definition of a defined contribution plan. The net obligations of each Group entity are calculated for each plan based on an estimate of the amount that employees will receive in exchange for services rendered in the current and past periods. The amount of the obligation is discounted and the fair value of the pension assets is deducted.*

The cost of defined contribution plans is recorded as expenses based on the contributions due for the period.

The valuation of defined benefit obligations is based on the "projected unit credit method", whereby the amount of future benefit payments to employees is determined on the basis of actuarial assumptions. These calculations include assumptions regarding retirement age, mortality rate, turnover rate and salary projections which take into account the economic conditions specific to each country and company. Discount rates are determined by reference to the yield, on the valuation date, of bonds issued by first-rank companies (or by the State if there is no representative market for private placements) in the monetary zone concerned. A discount rate curve is used per monetary zone and is applied to the debt, as well as to the components of the current charge (service cost and net interest).

Amounts relating to plans whose commitments less past service costs not yet recognized exceed the fair value of the plan assets are included in the liability provision. When the value of the plan assets (capped, if applicable) exceeds the commitments, the amount concerned is included in the asset in the statement of financial position among "Other assets" current or non-current.

The Group recognizes directly in the consolidated statement of comprehensive income, actuarial gains and losses resulting from changes in actuarial assumptions and experience-related adjustments, as well as adjustments resulting from the ceiling on net assets, where applicable. For other long-term benefits such as long-service medals, actuarial gains and losses continue to be recognized immediately in profit or loss.

The net interest (income) expense for defined benefit plans is recorded in Net financial income (loss).

14.1 Description of the main pension plans and related benefits

Most companies within the Group provide their employees with post-employment benefits (retirement plans, end-of-career indemnities, medical coverage, fringe benefits, etc.), as well as other long-term benefits such as service awards and seniority bonuses.

14.1.1 Main pension plans

In France

Employees benefit from defined contribution pension schemes such as the basic social security system or supplementary pension schemes. Some employees also benefit from optional 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 which amount is contractually determined.

As of December 31, 2024, the actuarial liability related to the executive pension schemes, known as "1991" and "1998" schemes, which were closed in 2019 in accordance with the Pacte law, amounts to €4 million. The rights of beneficiaries born in 1962 or earlier were frozen as of July 4, 2019. The duration of the actuarial liability for the executive pension schemes is 3 years. These schemes are partially funded (2% of the gross liability as of December 31, 2024).

All employees receive pension payments upon retirement, the amount of which is paid in a lump sum on the effective retirement date of the employee. This scheme corresponds to a defined benefit plan.

In the United Kingdom

Suez R&R UK operates several defined benefit pension plans. Along with its expansion, Suez R&R UK has acquired various entities across the United Kingdom. These entities were often public companies before their acquisition, and their personnel were affiliated to Local Government Pension Schemes (LGPS), which Suez R&R UK is required to maintain. As of December 31, 2024, the actuarial liability related to Suez R&R UK pension schemes amounts to €88 million. The duration of the actuarial liability for Suez R&R UK schemes is 12 years. These schemes are 104% funded as of December 31, 2024.

Personnel hired after the closure date of the defined benefit plans are covered by a defined contribution plan, the Sita Stakeholder pension plan.

As mentioned above, defined benefit schemes may be partially or fully funded by contributions paid to a pension fund (United Kingdom) or into a segregated fund managed by an insurance company (France). These funds are funded by contributions from the company and, in some cases, from employees.

14.1.2 Other post-employment benefit obligations and long-term benefits

In addition to pension schemes mentioned above, most entities of the Group grant their employees service awards, which correspond to bonuses paid during the period of employment to eligible employees when they meet certain seniority conditions. Furthermore, several companies within the Group commit to financing a portion of the expenses incurred by their employees and/or retirees in the event of specific events (illness, etc.), in addition to the amounts paid under defined contribution schemes.

These commitments fall under defined benefit schemes. They are presented in the tables below as "other post-employment benefits" and "other long-term benefits".

14.2 Defined benefit plans and other long-term benefits

14.2.1 Components of the periodic cost

The expense recognized for pensions and related defined benefits are broken down as follows:

(in millions of euros)	December 31, 2024	December 31, 2023
Service cost	(14)	(14)
Net interest (expense) income	(10)	(9)
Actuarial gains or losses	1	(0)
Past service cost / amendments	-	4
Gains or losses on pension plan curtailments, terminations and settlements	7	5
Total	**(16)**	**(14)**
Of which recognized in current operating income	*(6)*	*(5)*
Of which recognized in financial income/(loss)	*(10)*	*(9)*

14.2.2 Amounts presented in the statement of financial position and the statement of comprehensive income

The change in net provisions for pensions and related benefits and net assets is as follows:

(in millions of euros)	Asset	Liability	Total
At December 31, 2023	**8**	**(275)**	**(267)**
Actuarial gains and losses [(a)]	(3)	(5)	(8)
Net periodic cost [(b)]	-	(16)	(16)
Benefits paid	5	16	21
Translation effect	-	(2)	(2)
At December 31, 2024	**9**	**(281)**	**(272)**

(a) Actuarial gains and losses on post-employment benefits.
(b) Including actuarial gains and losses on long-term benefits (e.g., service awards).

Cumulated actuarial gains and losses on post-employment benefits recognized in equity amount to €15 million as of December 31, 2024. They are presented here excluding foreign currency translation differences and tax effects, which are separately disclosed in the statement of comprehensive income.

(in millions of euros)	December 31, 2024	December 31, 2023
Total Opening	**23**	**58**
Actuarial gains and losses generated during the year [(a)]	(8)	(36)
Changes in scope of consolidation and other	-	0
Total Closing	**15**	**23**

(a) On post-employment benefits.

14.2.3 Evolution of the benefit obligations and plan assets

The table below presents the amount of defined benefit obligations and plan assets of the Suez group, their evolution during the fiscal year, as well as a reconciliation with the amounts recognized in the statement of financial position.

		December 31, 2024				December 31, 2023			
(in millions of euros)		Pension benefit obligations (a)	Other post-employment benefits (b)	Other long term benefits (c)	Total	Pension benefit obligations (a)	Other post-employment benefits (b)	Other long term benefits (c)	Total
Change in projected benefit obligation									
Projected benefit obligation at the beginning of the period		**(325)**	**(35)**	**(9)**	**(369)**	**(302)**	**(33)**	**(9)**	**(343)**
Service Cost		(13)	-	(1)	(14)	(13)	(0)	(1)	(14)
Interest cost		(13)	(1)	-	(15)	(12)	(1)	(0)	(14)
Contributions paid		-	-	-	-	(0)	-	-	(0)
Amendments		-	-	-	-	4	-	(1)	4
Acquisitions/Disposals of subsidiaries		-	-	-	-	(1)	-	(0)	(1)
Curtailments/settlements		-	-	-	-	-	-	-	-
Special terminations		8	-	-	8	5	0	0	5
Financial actuarial gains and losses		6	-	-	5	(19)	(2)	(0)	(21)
Demographic actuarial gains and losses		(3)	-	1	(2)	(6)	(2)	-	(8)
Benefits paid		17	2	1	20	20	2	1	23
Other		(5)	-	-	(5)	(1)	-	-	(1)
Projected benefit obligation at the end of period	**(A)**	**(329)**	**(35)**	**(8)**	**(372)**	**(325)**	**(35)**	**(10)**	**(369)**
Change in fair value of plan assets									
Fair value of plan assets at the beginning of the period		**102**	**-**	**-**	**102**	**104**	**-**	**-**	**104**
Expected return on plan assets		4	-	-	4	5	-	-	5
Contributions received		6	-	-	6	17	2	1	20
Acquisitions/Disposals of subsidiaries		-	-	-	-	-	-	-	-
Curtailments/settlements		(1)	-	-	(1)	(0)	-	-	(0)
Actuarial gains and losses		(10)	-	-	(10)	(7)	-	-	(7)
Benefits paid		(6)	-	-	(6)	(19)	(2)	(1)	(22)
Other		4	-	-	4	3	-	-	3
Fair value of plan assets at the end of period	**(B)**	**101**	**-**	**-**	**101**	**102**	**-**	**-**	**102**
Funded status	**(A+B)**	**(228)**	**(35)**	**(9)**	**(272)**	**(223)**	**(35)**	**(10)**	**(267)**
Net benefit obligation		**(228)**	**(35)**	**(9)**	**(272)**	**(223)**	**(35)**	**(10)**	**(267)**
Total Liabilities		(237)	(35)	(9)	(281)	(230)	(35)	(10)	(275)
Total Assets		9	-	-	9	7	0	0	8

(a) Retirement pensions and retirement severance indemnities.
(b) Provident schemes, gratuities, and other post-employment benefits.
(c) Service awards and other long-term benefits.

14.2.4 Policy and funding strategy for pension obligations and other post-employment obligations

When defined benefit plans are funded, assets are invested through pension funds and/or insurance companies. The allocation between those categories varies for each plan depending on the investment practices specific to the country. Investment strategies of defined benefit plans aim to strike a balance between return on investment and associated risks.

Investment objectives are:

- To maintain a sufficient level of liquidity to pay retirement pensions or other lump-sum payments.
- Within a controlled risk framework, to achieve a long-term return rate equivalent to the discount rate or which is, when applicable, at least equal to future expected returns.

When assets are invested through pension funds, the allocations and investment behaviors are determined by the management of these funds. Regarding French plans, when assets are invested via an insurance company, the latter manages the investment portfolio under unit-linked contracts and, where applicable for euro-denominated contracts, guarantees a rate of return on the assets. These diversified funds are characterized by active management referencing composite indices, tailored to the long-term horizon of liabilities, and considering government bonds from the Eurozone, as well as stocks of the largest companies within and outside the Euro zone. The only obligation of the insurance company is a minimum fixed rate of return in the case of funds in euros.

The coverage of commitments is analyzed 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	(94)	66	-	-	(28)
Overfunded plans	(32)	36	-	-	4
Unfunded plans	(243)	-	-	-	(243)
At December 31, 2023	**(369)**	**102**	**-**	**-**	**(267)**
Underfunded plans	(48)	21	-	-	(27)
Overfunded plans	(71)	80	-	-	10
Unfunded plans	(253)	-	-	-	(254)
At December 31, 2024	**(372)**	**101**	**-**	**-**	**(272)**

The breakdown of plan assets by major asset category is as follows:

	2024	2023
Securities	7%	10%
Bonds	82%	80%
Real Estate	2%	0%
Other (including money market securities)	9%	10%
Total	**100%**	**100%**

The allocation of plan assets by geographical investment area is as follows:

	Europe	North America	Asia Oceania	Other
Securities	7%	8%	8%	1%
Bonds	84%	75%	75%	10%
Real Estate	2%	15%	15%	2%
Other (including money market securities)	7%	2%	2%	87%
Total	**100%**	**100%**	**100%**	**100%**

14.2.5 Actuarial assumptions and sensitivity analysis

Actuarial assumptions have been determined by country and by company, in conjunction with independent actuaries.

Weighted average rates are presented as follows:

	Pensions		other post-employment benefits		long-term benefits		Total obligation	
	2024	2023	2024	2023	2024	2023	2024	2023
Commitments discount rates	3,6%	4,2%	3,0%	3,8%	2,9%	3,7%	3,5%	4,1%
of which Eurozone	*3,3%*	*3,8%*	*3,3%*	-	*3,0%*	-	*3,3%*	*4,1%*
Of which United Kingdom	*5,1%*	*5,4%*	*0,0%*	-	*0,0%*	-	*5,1%*	*5,4%*
Wage growth rates	2,2%	2,8%	2,6%	2,3%	2,5%	2,0%	2,3%	2,7%
Inflation rate	1,4%	2,2%	2,0%	2,0%	1,9%	1,9%	1,5%	2,2%
of which Eurozone	*2,0%*	*2,0%*	*2,0%*	*2,0%*	*1,9%*	*1,9%*	*1,9%*	*2,0%*
Of which United Kingdom	*3,1%*	*3,2%*	*0,0%*	-	*0,0%*	-	*3,1%*	-
Remaining service life	16 years	12 years	11 years	11 years	7 years	6 years	16 years	11 years

The discount and wage growth rates are presented including inflation.

The discount rate is determined by reference to the yield, as of the valuation date, of bonds issued by first-rank companies, with a maturity corresponding to the duration of the obligation.

As of December 31, 2024, rates were determined for each monetary zone (euro and pound sterling) based on data coming either from the yield of high-quality corporate bonds, or from the yield of government bonds for countries where there is no deep market for high-quality corporate bonds. A discount rate curve was selected for each monetary zone and applied to the debt, as well as to the components of the current charge (service cost and net interest).

According to the estimates established by the Group, a variation of the discount rate of +/- 1% would result in a variation of the actuarial debt of approximately 11.2%.

Inflation rates were determined for each monetary zone. A variation of the inflation rate of +/- 1% would result in a variation of the actuarial debt of 9,6%.

14.2.6 Geographic distribution of obligations

In 2024, the geographic distribution of the main liabilities and the corresponding actuarial assumptions (including inflation) are as follows:

	Euro Zone		United Kingdom		Rest of the World	
(in millions of euros)	**Pensions**	**Other benefit obligations**	**Pensions**	**Other benefit obligations**	**Pensions**	**Other benefit obligations**
Funded status [(a)]	(209)	(40)	2	-	(21)	(3)
Discount rate	3,0%	2,5%	5,1%	-	3,1%	2,8%
Estimated future increase in salaries	2,5%	2,2%	1,0%	-	4,4%	2,3%
Inflation Rate	2,0%	2,0%	0,0%	-	0,9%	1,2%
Average remaining working lives of participating employees	16 years	9 years	8 years	-	14 years	12 years

(a) Net obligations correspond to the difference between the obligation and the fair value of plan assets.

"Rest of the world" mainly relates to Asia.

14.2.7 Expected payments in 2025

The Group anticipates making contributions to funds and direct benefits to beneficiaries totaling approximately €22 million during the fiscal year 2025 for its defined benefit plans.

14.3 Defined contribution plans

In 2024, the Group recorded an expense of €3 million (€3 million in 2023) for defined contribution plans across the Group. These contributions are presented within "personnel expenses" in the income statement.

Note 15 Share-based payments

IFRS 2 requires the recognition of services received from employees, compensated by granting equity-settled share-based payments.

Share-based payments can be settled either in equity instruments or in cash. When settled in equity, services received are measured by reference to the fair value of the equity instruments granted.

Share-based payments within the Group consist of free share plans and employee stock ownership plans, which are settled in cash. Their fair value is recognized as an expense over the vesting period against an employee-related liability. The change in fair value of the liability is recognized in profit or loss.

Amounts recorded for share-based payments are as follows:

(in millions of euros)	December 31, 2024	December 31, 2023
Free share plans	(18)	(14)
Employee share plans	(14)	(13)
Total	(32)	(28)

15.1 Free share plans

Expenses related to free share plans are recorded as part of personnel costs within Current operating income and can be broken down as follows:

(in millions of euros)	December 31, 2024	December 31, 2023
2022 LTI Plans	(4)	(9)
2023 LTI Plans	(9)	(5)
2024 LTI Plans	(5)	-
Total	(18)	(14)

On July 20, 2022, the Board of Directors of Suez S.A. granted performance shares to certain employees and/or corporate officers of Suez entities. This plan covers a maximum number of 19,863,314 shares (which may be increased to a maximum of 26,929,121 shares in the event of outperformance).

On July 19, 2023, the Board of Directors of Suez S.A. granted performance shares to certain employees and/or corporate officers of Suez entities. This plan covers a maximum number of 23,531,944 shares (which may be increased to a maximum of 30,808,796 shares in the event of outperformance).

On May 14, 2024, the Board of Directors of Suez S.A. granted performance shares to certain employees and/or corporate officers of Suez entities. This plan covers a maximum number of 22,081,738 shares (which can be increased to a maximum of 27,368,156 shares in the event of outperformance). All three plans contain a three-year vesting period (from the date of the Board of Directors that implemented the plan), followed by a two-year lock-up period from the date of delivery of the shares.

In addition to a condition of continued employment, the number of shares definitively acquired will depend on the achievement of various performance conditions assessed over 3 years:

- Financial performance conditions (evolution of EBITDA and Free Cash Flow) for 80%;
- three conditions related to Corporate Social Responsibility for 20%.

It was also decided to allocate performance shares only subject to a condition of continued employment for the following:

- Decision of the Board of Directors of Suez S.A. dated July 20, 2022 to grant 2,542,668 performance shares to a designated beneficiary, the acquisition of which is subject to a continued employment of (i) one year from the grant date for 1,543,692 shares, and (ii) two years from the grant date for 998,976 shares.
- Decision dated July 5, 2023, made by the CEO acting under the sub-delegation of authority granted by the Board of Directors on February 7, 2023, to grant 500,000 performance shares to a designated beneficiary. The definitive acquisition of these shares can only take place at the end of a one-year vesting period from the grant date.
- Decision by the Board of Directors of Suez S.A., dated July 19, 2023, to grant:
    - 750,000 performance shares to certain employees in the United Kingdom, the acquisition of which is subject to a two-year continued employment.
    - 175,926 free shares to an employee, the acquisition of which is subject to the continued employment until November 1, 2023.

Changes in the number of performance shares are as follows:

	LTI plan 2022	LTI plan 2022 MS (a)	LTI plan 2023	LTI plan 2023 MS (a)	LTI plan 2024	Total
Number of shares at January 1, 2023	**18 485 715**	**2 542 668**	**-**	**-**	**-**	**21 028 383**
Number of shares awarded during the year	-	-	24 457 941	500 000	-	24 957 941
Number of shares delivered during the year	(18 000)	(1 543 692)	-	-	-	(1 561 692)
Number of shares cancelled during the year	(1 916 500)	-	(808 335)	-	-	(2 724 835)
Number of shares at December 31, 2023	**16 551 215**	**998 976**	**23 649 606**	**500 000**	**-**	**41 699 797**
Number of shares awarded during the year	-	-	-	-	23 568 775	23 568 775
Number of shares delivered during the year	-	(998 976)	(175 926)	(500 000)	-	(1 674 902)
Number of shares cancelled during the year	(3 334 798)	-	(3 036 578)	-	(1 885 186)	(8 256 562)
Number of shares at December 31, 2024	**13 216 417**	**-**	**20 437 102**	**-**	**21 683 589**	**55 337 108**

Upon delivery, the liquidity of the shares is arranged by Suez S.A. These plans are cash-settled plans according to IFRS 2. Consequently, the Group recognizes a personnel expense over the vesting period in exchange for a liability measured at fair value at the grant date and remeasured at each reporting date until settlement, with the change in fair value of the liability recognized through the income statement.

As of December 31, 2024, the expense and the liability amount to €18 million including social charges (€16 million excluding social charges) and €33 million, respectively, based on the fair value of the share of €1.16 as of December 31, 2024.

In terms of sensitivity, a +10% change in the fair value of all instruments would increase the liability by €4 million as of December 31, 2024.

15.2 Employee share plans

The employee share plans expense can be broken down as follows:

(in millions of euros)	(Expense) of the period December 31, 2024	(Expense) of the period December 31, 2023
GO SUEZ plan 2022 - Reinvest formula	(4)	(4)
GO SUEZ plan 2022 - Classic formula	(1)	(1)
GO SUEZ plan 2022 - Multiple formula	(9)	(8)
Total	**(14)**	**(13)**

As part of the implementation of an employee share program in 2023, the Board of Directors of Suez S.A. decided on July 17, 2022 to perform a capital increase for employees and executive officers of the Group by issuing new ordinary shares, based on the different employee share plans, together with the issuance of free preference shares ("ADP"), or stock subscription warrants ("BSA").

Employees' investments are made through the Go Suez Employee Mutual Fund (the "FCPE").

The main characteristics of the plans implemented, and of shares and other associated instruments issued are detailed below.

	Go Suez Reinvest	Go Suez Classic	Go Suez Multiple
Summary of the plan	At the end of the 5-year lock-up period or in the event of an early exit, if the price of the Suez share is higher than the reference price of €1, the value of the assets will be equal to the initial investment plus 2.2 times the capital gain on the Suez share. Dividends attached to common shares are automatically reinvested in the CMF resulting in the issuance of new units.	At the end of the 5-year rental period or in the event of an early exit, the amount of the redemption will correspond to the price of the Suez share. Dividends attached to common shares are automatically reinvested in the CMF resulting in the issuance of new units.	This plan guarantees the beneficiary, at maturity, to recover 100% of his personal contribution If at the end of the 5-year lock-up period, the price of the Suez share is higher than the reference price of the Suez share set at €1, the gain will be equal to 7.2 times the difference. As a guarantee of the personal contribution and the multiplier effect, the beneficiaries renounce any dividends.
Main characteristics of the emissions set by the Board of Directors	Subscription of ordinary shares at a price of €1. For each ordinary share subscribed is allocated 1.2 preference shares	Subscription of ordinary shares at a price of €1 after deduction of a 20% cash discount, i.e., €0.8 per share. A cash contribution paid by the employer completes the employees' subscription	Subscription of ordinary shares at a price of €1 after deduction of a cash discount of 2.41%, i.e., €0.9759 per share. The beneficiary's investment capacity is increased by a bank supplement of 8.759 times his personal contribution. For each ordinary share subscribed is allocated 0.72 warrants
Subscription period	From September 27, 2022, to November 2, 2022	From November 25, 2022, to December 8, 2022	From November 25, 2022, to December 8, 2022
Date of capital increase	December 2, 2022	January 6, 2023	January 6, 2023
Subscription amount (cash received)	43,167,219	14,634,329 (1)	82,596,688
Number of ordinary shares issued	43,167,219	18,292,912	84,636,426
Number of preference shares issued	51,800,662	-	-
Number of warrants issued	-	-	60,938,226

(1) Contribution paid in cash by the employer included

To enable the FCPE to address the early release cases and, if necessary, to repurchase available assets, Suez S.A. committed to provide liquidity to the FCPE by repurchasing all securities and ordinary shares that may result from the conversion of the issued instruments.

According to IFRS 2, this plan is classified as a cash-settled plan. Consequently, the Group recognizes a personnel expense in exchange for a liability measured at fair value, which is reassessed at each closing date until the settlement date, with the change in fair value of the liability recognized in the income statement.

The Group accounts for these employee share ownership plans as follows:

- Recognition of personnel costs in respect of cash discounts, cash contributions granted by the employer, as well as preferred shares and warrants granted free;
- Accounting for the amount of subscriptions in cash;
- Recognition of a liability (social debts) corresponding to the number of instruments issued measured at fair value at the balance sheet date.

As of December 31, 2024, the Group remeasured the liability to account for the change in the fair value of the instruments at the closing date (fair value of an ordinary share of €1.16, of a preference share and a stock subscription warrant of €0.2833) and the number of instruments outstanding at the closing date. The expense and the liability recognized as of December 31, 2024, amounted to €14 million and €182 million, respectively (€13 million and €182 million respectively as of December 31, 2023).

In terms of sensitivity, a +10% change in the fair value of all instruments would increase the liability by €18 million as of December 31, 2024.

Note 16 Related party transactions

Significant transactions between the group and its related parties are presented in accordance with the revised IAS 24 standard – Related Party Disclosures.

16.1 Transactions with Suez Holding

As of Decembre 31, 2024, positions between the Group and Suez Holding include a current account asset of €203 million and current accounts related to the French tax grouping of €4 million. Interests paid amount to €8 million in 2024, compared to €4 million in 2023.

No other significant transaction was recorded in 2024.

16.2 Transactions with joint ventures, joint operations, and associates

Amounts of transactions carried out with joint ventures, joint operations and associates in 2024 are presented below:

(in millions of euros)	December 31, 2024		December 31, 2024
Transactions with associates		**Transactions with joint-ventures**	
Profit / (losses)	**19**	**Profit / (losses)**	**9**
SEN'EAU	5	France Plastique Recyclage	8
GREEN METAL FRANCE SAS	4	DropMI S.r.l.	1
Sardi	4	Other	1
ROANNE BIOENERGIE	2		
Aquasure Holdings	2		
Other	3		
Receivables / Payables	**68**	**Receivables / Payables**	**32**
Aquasure Holdings	29	France Plastique Recyclage	27
SEN'EAU	13	Panjin Sino French Water Supply Co. Ltd.	1
SCIP SITA Waste Services Co. Ltd.	7	DropMI S.r.l.	1
Sardi	5	Terrial SAS	1
ROANNE BIOENERGIE	4	Autres	1
THAU MARITIMA	4		
Wuhan Sino French Water Company Limited	3		
Other	3		
Liabilities	**7**	**Liabilities**	**(1)**
BIOSYNERGY	8	Other	(1)
Other	(0)		

16.3 Transactions with key executives

Key executives are members of the Board of Directors and/or the Executive Committee of Suez S.A.

(in millions of euros)	December 31, 2024	**December 31, 2023**
Remuneration paid (uncluding allowances)	(8)	(9)
Fringe benefit	-	-
severance payments	(6)	-
Post employment benefits (costs services)	**(14)**	**(9)**
Post employment benefits	(1)	(0)
Free shares	(2)	(5)
Other benfits due to the key executives	**(2)**	**(5)**

A €2 million charge was recorded for the variable component of compensation accrued as of December 31, 2024.

As of December 31, 2024, directors owned 5,157,926 performance shares; vesting conditions of such shares are presented in Note 15.1.

There are no service-type transactions between key executives and entities of the Group.

Note 17 Subsequent events

On January 24, 2025, Suez announced the signing of an agreement to acquire a majority stake in Gruppo Ecosistem, a company specializing in the treatment and recovery of industrial waste (collection of used oils and batteries) with more than 400 employees. This acquisition strengthens Suez presence in Italy and strengthens its position in this high value-added market.

Note 18 List of main consolidated companies as of December 31, 2024

The list of entities presented below includes the main holding and operational entities by geographical zone and activities. The entities listed below cover more than 80% of the following indicators: Revenue, EBITDA, Net profit attributable to the Group, and Net debt.

SUEZ

		Interest %		Control %		Consolidation method [(a)]	
Names	Headquarters adress	Dec 2024	Dec 2023	Dec 2024	Dec 2023	Dec 2024	Dec 2023
Holdings							
SUEZ	Altiplano, 4 place de la pyramide, 92800 Puteaux - France	100	100	100	100	FC	FC
SUEZ International	Altiplano, 4 place de la pyramide, 92800 Puteaux - France	100	100	100	100	FC	FC
France - Water and Recycling & Recovery							
SUEZ Eau France (and its subsidiaries)	Altiplano, 4 place de la pyramide, 92800 Puteaux - France	100	100	100	100	FC	FC
SUEZ R&V France (and its subsidiaries)	Altiplano, 4 place de la pyramide, 92800 Puteaux - France	100	100	100	100	FC	FC
IWS France (et ses fliales)	Altiplano, 4 place de la pyramide, 92800 Puteaux - France	100	100	100	100	FC	FC
SUEZ Digital Solutions	34-36 rue Antoine Primat, CS 50256, 69616 Villeurbanne Cedex - France	100	100	100	100	FC	FC
United Kingdom - Recycling & Recovery							
SUEZ Recycling and Recovery Holdings UK Ltd	Grenfell road, Maidenhead, Berkshire SL6 1ES - Royaume-Uni	100	100	100	100	FC	FC
Europe (excluding United Kingdom) - Water							
ACEA Spa	P.le Ostiense, 2 - 00154 Roma - Italie	23	23	23	23	EM	EM
Nuove Acque	Via Montefalco, 55 - 52100 Arezzo - Italie	28	28	46	46	FC	FC
Ostravske vodarny a kanalizace, as	Nadrazni 3114/28 - 729 71 Ostrava Moravska Ostrava - République Tchèque	50	50	50	50	FC	FC
Asia Water and Recycling & Recovery							
Sociedade de Abastecimento de Aguas de Macau	718 avenida do Conselheiro borja, Macao - Chine	85	85	85	85	FC	FC
Chongqing Derun Environment Company Limited	No. 20-1, Block 3, 101 Cypress Road Springfield Road Chongqing - Chine	25	25	25	25	EM	EM
SUEZ Environmental Technology (Beijing) Company Ltd	Room No. 118, Building 23, No.31 North Third Ring Road, Haidian District, Beijing - Chine	100	100	100	100	FC	FC
Shangai Chemical Industrial Park Company Limited	No. 168, Mu Hua Road, Shanghai Chemical Industry Park, 201507 Shangai - Chine	50	50	50	50	FC	FC
World's other - Water and Recycling & Recovery							
SUEZ Australia Holding Property Limited	Level 3, 3 Rider Boulevard, Rhodes, NSW 2138 - Australia	100	100	100	100	FC	FC
Prospect Water Partnership	Level 6/5 Rider Boulevard, Rhodes, NSW 2138 - Australia	51	51	51	51	FC	FC
SUEZ India Private Limited	Unitech Business Park, Tower A, 2nd Floor, South City 1, 122001 Gurgaon - Inde	100	100	100	100	FC	FC
Gandharbpur Water Treatment SNC	Altiplano, 4 place de la pyramide, 92800 Puteaux - France	99	99	99	99	FC	FC
Enviroserv Holdings Pty Ltd (and its subsidiaries)	Central Office Park N°4, 257 Jean Avenue Centurion - 0157 Gauteng - Afrique du Sud	51	51	51	51	FC	FC
SUEZ Services Maroc	20 Boulevard Rachidi - Casablanca Maroc	100	100	100	100	FC	FC
SUEZ Kenitra Zones Franches Maroc	Lot N°I.1.27, Atlantic Freee Zone Extension, Kenitra - Maroc	100	100	100	100	FC	FC
Consulting							
Safège	15, rue du Port, 92022 Nanterre - France	100	100	100	100	FC	FC

(a) FC : Full consolidation, EM : Equity method of consolidation

Note 19 Fees of statutory auditors and members of their networks

	Ernst & Young Audit		Network		Forvis Mazars		Network	December 31, 2024
(in thousands of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit and limited review on the statutory and consolidated financial statements								
SUEZ SA	648	55%			430	12%		
Fully consolidated subsidiaries and joint operations			3 507	85%	2 281	66%	1 505	90%
Other services		-		-		-		-
SUEZ SA	533	45%			435	13%		
Fully consolidated subsidiaries and joint operations			639	15%	304	9%	166	10%
Total	**1 181**	**100%**	**4 146**	**100%**	**3 450**	**100%**	**1 609**	**100%**

Services other than the audit reviews provided during the financial year to the company and the entities it controls include in particular verification work on the CSR information and the CSRD report.

	Ernst & Young Audit		Network		Forvis Mazars		Network	December 31, 2023
(in thousands of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit and limited review on the statutory and consolidated financial statements								
SUEZ SA	627	92%			758	22%		
Fully consolidated subsidiaries and joint operations			3 431	78%	2 385	70%	1 220	99%
Other services								
SUEZ SA	55	8%			40	1%		
Fully consolidated subsidiaries and joint operations			957	22%	210	6%	14	1%
Total	**682**	**100%**	**4 388**	**100%**	**3 394**	**100%**	**1 234**	**100%**

Services other than the audit reviews provided during the financial year to the company and the entities it controls include in particular verification work on the CSR information.