Sustainability-Linked Financing Framework

May 2024 (Update to Framework dated July 2021)

INTRODUCTION

About Saur

As a pure player in water and essential services, Saur works to protect the environment in the heart of the territories it serves. Saur has always acted to offer the same quality of service to small towns as to large cities and also industrials, guided by its purpose: **to advocate that everyone gives water the value it deserves.** Saur worldwide presence: Cyprus, Finland, France, Italy, Netherlands, Poland, Portugal, Saudi Arabia, Spain, United-Kingdom, United States of America. 2022 key figures: €2 billions Group net revenue, 9,200 local authorities and industrial clients contracted, 12,000 employees and 20 million consumers served worldwide.

Providing drinking water: a vital service

Water is an essential requirement for life, a “living matter” often transported over long distances.

Taken from abstraction points, it is made safe to drink in treatment plants operated by Saur before being distributed through a network of pipes, continuously monitored using sensors. This is required to be delivered to homes, 24 hours a day, in the required quantities and of impeccable health quality, in compliance with all bacteriological, physical and chemical regulatory parameters. When water reaches the home of the end-consumer, it is thanks to work carried out in the background by thousands of professionals.

Treating wastewater: an environmental challenge

Wastewater returned to the natural environment must be of at least the same quality as the water initially withdrawn. The treatment carried out by Saur contributes to preserving aquatic ecosystems and biodiversity. Wastewater is collected and transported to treatment plants, to purify it before feeding it back into the rivers and reservoirs or reusing it for regulated purposes.

Upstream of the plant, remote monitoring ensures the proper functioning of the facilities and the quality of the discharges in real time.

Building water-management infrastructure: a regional development mission

Saur develops a variety of water infrastructure projects: installing or renovating drinking water, rainwater, and wastewater networks; connecting these networks for water production, wastewater treatment, and industrial water.

Saur’s customers benefit from the Group’s strong engineering and works capabilities, to build facilities combining improved service and state of the art treatment processes. The management of water requires infrastructure adapted to the specific hydraulic and geographic characteristics of each region at every stage of the water cycle. Saur’s duty is to develop bespoke technical and financial solutions, which are both innovative and scalable.

Through its 1,600 drinking water production plants and 2,400 wastewater treatment plants[1], Saur’s commitment to ’stand for water’ has a very tangible relevance locally and internationally. It contributes to regional economic development (with 3,000 turn-key projects delivered), the creation of water networks that deliver security of supply (230,000 km of pipelines under management[2]) and delivering the ecological transition with 95% of residual wastewater treatment sludge recovered and repurposed.

Saur's approach to sustainability

When the Group became a member of the Global Compact in 2003, it made a commitment to promote and ensure compliance with the 10 principles on human rights, labor standards, the environment and the need to combat corruption. The Group renews this commitment annually, publishes information about the action it has taken and promotes the fundamental values of the Global Compact.

[1] As of December 31st, 2020
[2] As of December 31st, 2020

Saur strives to conduct its business responsibly, innovatively and with agility in order to respond effectively to environmental and societal challenges, and create value with, and for, its stakeholders, including local authorities and industrial customers, consumers and users, employees, investors, suppliers and subcontractors, more generally, all stakeholders in the wider society.

With its commitment to "stand for water", the Saur Group is a natural contributor to achieving the Sustainable Development Goals (SDG) set by the United Nations for 2030[3]. The business activities, policies and actions of the Group contribute directly and indirectly to all the SDGs and have a direct impact on 30% of the 169 targets associated with the 17 SDGs. Although the impact of Saur is - logically - focused predominantly on SDG 6 'Clean Water and Sanitation', its actions are also prioritized around eleven other SDGs related to its social responsibility and local innovation challenges.

In 2020, Saur conducted a formal consultation process with its stakeholders who unanimously reaffirmed its three operational missions: supplying high-quality water, ensuring its permanent availability and delivering continuity of service. On this basis, Saur undertook a materiality assessment[4] addressing not only the environmental, social and societal challenges that impact its business model, but also its products, services and governance. Saur revised its CSR roadmap accordingly to support its positioning of standing for water, with nine prioritized commitments, organized around 3 strategic pillars and supported by ambitious objectives for 2025.

Protecting and safeguarding water quality and quantity

1. **Anticipating and complying with all laws and regulations on water and aquatic environments**	2. **Conserving water resource**	3. **Promoting responsible water use**
All our business and all our products and services portfolio assessed against the European sustainability standard ("green taxonomy")	Saving water equivalent to the annual consumption of 100,000 people	100% of sensitive water management contracts guaranteed by a drought prevention plan
Actions • Integrating sustainability criteria into the design of new products and services, and evaluating these new products and services as well as all our other activities	**Actions** • Reducing industrial and personal consumption of water • Improving drinking water supply network performance • Promoting the reuse of treated wastewater	**Actions** • Rolling out the EMI predictive modelling technology for those contracts most sensitive to water shortages

Supporting local territories

4. **Strengthening the relationship of trust and co-construction with our stakeholders**	5. **Taking action to deliver the ecological transition**	6. **Contributing to local socio-economic ecosystems**
100% of water management contract customers have access to Saur's digital offering, including real-time sharing of operations data	100% of electricity from renewable sources	10% of the permanent workforce are work/study apprentices and other trainees
Actions • Developing transparent data sharing with customers (local authority services) and water industry players to offer full access to data	**Actions** • Reducing energy consumption • Increasing the amount of renewable energy generated on our own sites and those of our customers	**Actions** • Welcoming apprentices and other trainees • Ensuring that they stay with the Group and work with it standing for water

[3] Saur – Integrated Report 2020

	• Working with local authorities to develop local offsetting projects • Meeting our own energy needs from renewable energy generators	

Fostering people's development

7. **Respecting business ethics and human rights**	8. **Supporting the eco-responsible commitment of our people**	9. **Promoting inclusion and diversity**
100% of our supplier and partner contracts include a business ethics clause	Our internal surveys result in engagement scores at least as high as those in the top 25% of comparable companies	At least 40% of our managers are women (parity)
Actions • E-learning and face-to-face training for all employees, especially those employed in sensitive roles	**Actions** • Communicating more regularly and widely on Group strategy, and involving employees more closely in its construction • Developing a distinctively Saur style of management • Making the work done by everyone meaningful	**Actions** • Facilitating careers in the 3 main job families of Operations, Customer Service and Support, and achieving gender equality (in accordance with the 40/60 principle) by working collaboratively with partner educational institutions, creating mentoring programs and providing appropriate communication

Sustainability governance

Executive Chairman Patrick Blethon has oversight and sponsorship of all of Saur Group's sustainability activities. The day-to-day integration of sustainability into Saur Group's activities are the responsibility of the CSR Team.

Marie Francolin, Senior Executive VP Strategy, Sustainability, Innovation and Services, is responsible for the CSR strategy definition and execution.

Bénédicte Peyrol, Head of Sustainability, has the operational responsibility for the management of CSR.

Together, the CSR team is in charge of:

- Rolling out Saur Group's nine CSR commitments, in coordination with all members of the General Management Committee, each of them sponsoring one of the nine commitments
- Defining and communicating the company's purpose and values, along with internal and external stakeholders
- Leading the objective of B Corp certification. Saur has taken the decision of becoming a B Corp-certified company, and first aims at reaching certification criteria on the Eau France perimeter by 2023.

We create value at every stage in the water cycle

Through its 1,600 drinking water production plants and 2,400 wastewater treatment plants, the Saur Group commitment to 'stand for water' has a very tangible relevance locally and internationally. It contributes to regional economic development (with 3,000 turnkey projects delivered), the creation of water networks that deliver security of supply (230,000 km of pipelines under management), and delivering the ecological transition with 95% of residual wastewater treatment sludge recovered and repurposed.

Treating wastewater – an environmental challenge

The collection and treatment of wastewater and treatment by-products to promote the protection of aquatic ecosystems and the circular economy.

Drinking water supply – a vital service in France and internationally

The production, treatment, supply and management of drinking water by developing solutions that protect the resource and ensure the delivery of water with impeccable health quality.

Building water infrastructures to serve our regions

The engineering and construction of water treatment facilities that combine performance with innovation and modular forward development. Pipeline laying, remediation and maintenance.

700m/m³

700 billion liters of drinking water produced.

SAUR'S SUSTAINABILITY-LINKED FINANCING FRAMEWORK

Aligned with its corporate purpose, Saur is committed to integrating sustainability in its everyday operations, as well as in its investment and financing strategy. To reflect this engagement, Saur intends to become an active player of sustainable finance by creating a dedicated Framework. The sustainability-linked financing structure encompasses the overall sustainability performance of Saur as a company, beyond its assets and operations, including the holistic and dynamic dimension of sustainability throughout the corporate value chain.

Saur has chosen three Key Performance Indicators (KPIs) that are relevant, core and material to Saur's overall business and of high strategic significance to the Group's current and/or future operations. The KPIs are aligned with Saur CSR roadmap and the United Nations Sustainable Development Goals (UNSDGs) as part of the 2030 Agenda. Water availability, climate change and gender equality are some of the main challenges that societies need to address to ensure sustainable development and positive impact on their stakeholders. Saur has selected these three KPIs as the company believes they are perfectly aligned with its strategy and the main sustainability issues in the water sector. For each of these KPIs, Saur has set innovative and ambitious Sustainability Performance Targets (SPTs), setting new standards and driving the social and environmental transition across the industry.

Saur's Sustainability-Linked Financing Framework (the "Framework") is aligned to ICMA's Sustainability-Linked Bond Principles (SLBP) 2020[5] and to the LMA's Sustainability-Linked Loan Principles (SLLP) 2021[6].

The following five components form the basis of Saur's Framework:

1. Selection of key performance indicators (KPIs);
2. Calibration of sustainability performance targets (SPTs);
3. Characteristics of Sustainability-Linked Instruments;
4. Reporting; and
5. Verification

This Framework covers the following financing instruments:

- Sustainability-Linked Bonds
- Sustainability-Linked Loans (term loans or revolving credit facilities)

1. Selection of Key Performance Indicators (KPIs)

Saur has identified three KPIs to be used in potential sustainable financings. One or more KPIs identified will be selected for any sustainable financing, and this will be specified in the relevant instrument's specific documentation as applicable.

1.1. Water management

KPI 1: Water withdrawals per subscriber for drinking water production

Definition and scope

This KPI is defined as the ratio between the volume of water extracted from the environment for municipal drinking water production – considering imports and exports of bulked volume of water – and the number of subscribers per year.

The KPI applies to all of Saur's consolidated activities and business units operating municipal water services, excluding Poland where the average consumer profile makes the value of the KPI difficult to compare with other geographies (Poland represent less than 5% of the Group's turnover, and there are currently no drinking water contracts in Poland). The KPI also by nature excludes activities outside of the scope of Saur's operations in municipal drinking water supply services, e.g., the activities of Saur Industries and wastewater treatment in the UK and Cyprus. Overall, the perimeter to which this KPI will apply captures approximately 75% of the Group's total revenues as of end of 2020 (including both water and wastewater activities in France, Spain and Portugal).

Methodology

The KPI is defined as:

$I = (V_A + V_I - V_E - V_R) / (\#S)$ expressed in cubic meters per year per subscriber (m^3/yr./subs.)

[5] SLBP 2020: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf
[6] SLLP 2021: https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/

Where:

- I stands for water withdrawals per subscriber for drinking water production, expressed in m3/yr./subs.
- V_A stands for the volume of water abstracted[7] from the ecosystem for the production of drinking water, generally coming from aquifers or from surface water. V_A includes some abstracted seawater (approximately 7.9% of the total in 2020)[8]. Volumes abstracted for irrigation (which will be supplied to farmers without treatment) are not included. This quantity is generally measured directly at abstraction point. In the absence of a direct reading, production volume (V_P) will be used as a proxy. Production volume corresponds to the volume of water going out of water treatment plant. In order to reflect the production plant yield, a 10% correction factor is applied as per French regulation: $V_A = V_P \times 1.1$.
- V_I stands for the volume of bulk water imported from other providers. V_I includes water already treated to make it potable (>95%), and a small quantity of raw water. Therefore we apply the same correction factor as above to reflect on production plant yield.
- V_E stands for the volume of bulk water exported to other municipalities, outside Saur's management contracts. Same corrections apply to account for production plant yield.
- V_R stands for the volume used for groundwater refill.
- #S stands for the total number of subscribers to the service of drinking water. Subscribers to wastewater treatment services only are not included. Subscribers of bulk water contracts (municipalities, farmers) are not included. One subscriber generally corresponds to one billing address (e.g., household, or company – a household of four people receiving one water bill will for example be considered as one subscriber).

Rationale for the KPI

It is crucial that threats to water resources are addressed. Demand for this vital resource is increasing as a result of climate change and population growth. Climate change degrades not only the quantity of water available to a community over time, but also the way that communities can use this resource. Both droughts and floods are becoming more frequent, and water scarcity is now a widespread concern across all continents. Recognising these challenges, UN SDG 6 specifically targets the increase of water-use efficiency across all sectors and sustainable withdrawals and supply of freshwater to address water scarcity by 2030.[9]

By combining its own expertise with the complementary expertise of others within its ecosystem, Saur works with real commitment to stand for water, by protecting the availability and quality of the resource, ensuring that it is accessible to everyone, and supporting local territories in this objective.

Water withdrawals per subscriber is a key indicator for the monitoring of the efficiency of Saur's operated water network, and according to the Sustainability Accounting Standards Board, this is one of the key sustainability disclosure topics for Saur as a water management company[10]. Moreover, this KPI is highly material to Saur's business model as it encompasses holistically the full value chain of drinking water production and distribution, from improvements on network performance and yield of production plants, to addressing sustainable use of water by the end-user, whether industrial, collective or residential. The preservation of water availability was one of the key priorities identified in Saur's 2020 materiality analysis.

The choice of reducing water withdrawals per subscriber ensures that Saur uses all available levers at its disposal, from the efficiency of the treatment facilities and the networks, down to advocating for reduced use of water through public campaigns. Successfully reducing this indicator involves all of the company's stakeholders across its value chain. The use of this holistic KPI is inherently innovative and demonstrates the ambition of Saur's commitment to protect the resource and promote responsible water use.

1.2. Carbon intensity

KPI 2: Carbon intensity

Definition and scope

The KPI corresponds to the ratio of greenhouse gas emissions in scopes 1 and 2 to the Group's revenues. Scope 1 corresponds to direct emissions and scope 2 to indirect emissions due to the consumption of electricity from external power providers.

This KPI applies to 100% of Saur's consolidated activities and business units.

Methodology

The KPI is a 3-year rolling average of scope 1 and 2 emissions in tonnes CO_{2eq}/Group revenues in EUR.

[7] VA includes some abstracted seawater (approximately 7.9% of the total in 2020) which is relevant to the holistic view of water production and distribution.
[8] Seawater desalination for drinking water production is a very energy-intensive process and has an impact on ecosystems, although different from the impact of freshwater abstraction, through brine disposal. Therefore, volumes of seawater abstracted are considered relevant and are included in the calculation of this KPI.
[9] https://www.un.org/sustainabledevelopment/water-and-sanitation/
[10] SASB Water utilities & services standard: https://www.sasb.org/wp-content/uploads/2018/11/Water_Utilities_Services_Standard_2018.pdf

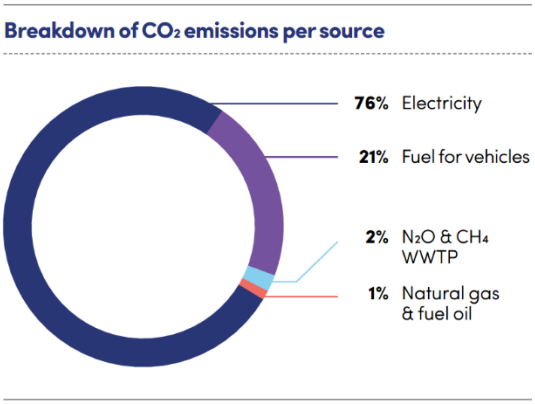
The KPI is determined in accordance with the GHG Protocol standard[11]. This method corresponds to one of the most recognized international standards for the calculation of greenhouse gas emissions, split between the following emissions scopes:

- Scope 1 emissions:
  - Combustion of natural gas and fuel for heating or own power generation, combustion of fuel for vehicles used, diffuse emissions from wastewater treatment plant.
  - Combustion of fuels (natural gas, domestic fuel, vehicle fuels) is translated into CO_2 equivalent using the emission factors taken from the GHG Protocol reporting tools.
  - Diffuse emissions from wastewater treatment plants are composed of nitrous oxide (N_2O) and methane (CH_4) which are emitted during the decomposition of the organic matter contained in wastewater. These emissions occur normally during the treatment process and are diffuse by nature so they cannot be measured. They are assessed based on the wastewater treatment activity using a method defined by ASTEE[12], the French association of water experts for technical standards.
- Scope 2 emissions:
  - Use of electricity from the grid, calculated using specific emission factors at the national level (or regional where available), sourced from the latest available ones from ADEME[13]. Part of this electricity consumption is offset by the purchase of market instruments (including Green Origin Certificates), and thereby calculated as 0.

Rationale for the KPI

The municipal water sector contributes to global greenhouse gas emissions, primarily through its energy consumption (mainly from electricity needs to operate pumping stations, treatment technologies, desalination plants, etc.). Mobility requirements to operate wide-spread water infrastructure are also a key contributor. Other, much smaller sources of GHG emissions include emissions from wastewater systems[14] and use of natural gas and fuel-oil for heating. Inefficient use of water also leads to higher energy needs from the network and treatment plants, and more abundant use of chemicals for treatment processes.

Today electricity use represents approximately 76% of the Group's global GHG footprint for scopes 1 and 2. Emissions from vehicle fuel represent 21%, while methane and nitrous oxide emissions from wastewater treatment plants represent 2%.



1.3. Gender diversity

KPI 3: % of executive positions held by women

Definition and scope

The KPI corresponds to the share of women in executive positions.

This KPI applies to 100% of Saur's consolidated activities and business units.

Methodology

The number of women in executive positions, divided by the total number of executive positions, expressed as a percentage.

Where executive positions encompass either of the definitions below:

[11] GHG Protocol – Corporate Standard: https://ghgprotocol.org/corporate-standard
[12] ASTEE: https://www.astee.org/homepage-en/
[13] ADEME – French energy and environment agency https://www.ademe.fr/en
[14] WMO: https://public.wmo.int/en/media/news/role-of-water-achieving-climate-neutrality

- All Saur Group employees in an N-2 position from the Executive Chairman, where N represents the Executive Chairman's position; [OR]
- All Saur International employees in an N-3 position from the Executive Chairman, in order to reflect Saur organization and establish a comparable level between France and other countries in which Saur operates[15]

Trainees and assistants are excluded from this count.

At the end of 2020, total number of executive positions amounted to 165 people.

Rationale for the KPI

Saur believes diversity and inclusion to be a business imperative. As revealed during Saur's materiality exercise undertaken in 2020: greater engagement, performance, and innovation are generated through diversity of people and an inclusive environment. The KPI also reflects Saur's commitment to UN SDG 5, which targets women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.[16]

2. Calibration of Sustainability Performance Targets (SPTs)

All Sustainability Performance Targets are fully aligned to Saur's sustainability strategy published in Saur's integrated report. The targets reflect Saur's high level of ambition and long-term aim to contribute to relevant global sustainable development goals.

For each Sustainability-Linked Instrument issued under this Framework, the applicable SPTs and the dates at which compliance with the SPT will be assessed (the Target Observation Date(s)) will be detailed in the relevant instrument's specific documentation (e.g., Final Terms of any Sustainability Linked Bond or Facility Agreement of any Sustainability-Linked Loan).

2.1. Water management SPT trajectory

- **SPT 1.1**: Water Withdrawals of 177.62[17] cubic meters per year per subscriber (m^3/yr./subs.) by 2023
- SPT 1.2: Water Withdrawals of 175.85 cubic meters per year per subscriber (m^3/yr./subs.) by 2025

Calibration of the target and KPI 1 past performance

Name	2020[18] (baseline)	2023	2025
KPI 1: Water withdrawals (m^3/yr./subs)	180.31	**177.62**	**175.85**

The targets are aligned with the following UN Sustainable Development Goal (SDG):

- *SDG 6: Ensure availability and sustainable management of water and sanitation for all*

Saur is committed to reducing the water withdrawals per subscriber by 0.5% every year from 2021 to 2027, which corresponds to close to 5% reduction in the lifetime of a 10-year contract (2030 performance forecasted at 171.49 m^3/yr./subs). Saur is the first company in the industry to commit to such a target, with an ambitious decrease over a long-term trajectory. While it is market

[15] Without this adjustment, executive positions on the Saur International perimeter would be limited to direct reports of the SEVP International (total of <10 employees), thus leading to a large underrepresentation of Saur International in executive positions. For example, only country managers in Spain and Portugal would be included, i.e., 2 positions, whereas Spain and Portugal together represent over 17% of Saur's total workforce as of June 2021.

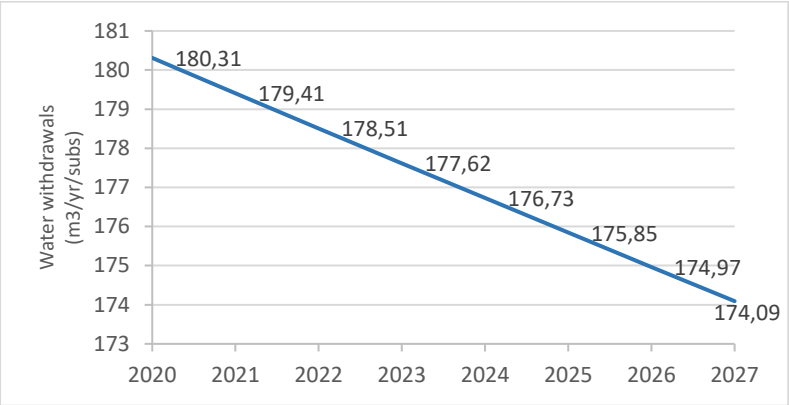
[16] https://www.un.org/sustainabledevelopment/gender-equality/

[17] The results of a data reliability assessment conducted since the Framework publication in 2021, have led to changes in the values of KPIs measuring the volume of water abstracted from the natural environment per subscriber since the benchmark yea. Since the benchmark year (2020), we have significantly improved our processes for data collection and analysis through, among other things:
(a) installing additional remote reading meters, with approximately 200,000 installed by 2023;
(b) establishing a data platform to centralize and store data;
(c) employing dedicated data analysts to develop and deploy new data analytical tools;
(d) introducing additional controls and implementing automation where possible;
(e) improving the parameters of our data collection tools; and
(f) improving the collection of data in overseas territories in which we operate.
These improvements have enabled us to collect a more complete, granular and reliable set of data relating to our water abstraction operations which in turn have allowed us to update the existing benchmark and KPI values.

[18] Please note that the impact of the covid-19 crisis is limited due to the balanced geographical footprint of Saur's activities

practice for water management companies to report on annual absolute water withdrawals, there has not yet been a comparable target set in the industry, which supports Saur's innovative vision and strong ambition, setting new standards for the water sector. The intensity target normalized with subscribers, as defined by Saur, is unique in its ability to reflect water-use efficiency. Additionally, the achievement of the target is associated to a cultural change in the organisation towards prioritising water savings.

It needs to be noted that this KPI and the achievement of the target are also subject to external parameters which are not controlled by Saur, such as client investment in network renewal and end-user consumption patterns. Saur works to influence these levers through engagement and public campaigns, but ultimately cannot directly control them. For example, in France, the Group's main business model is based on public service delegation contracts, through which it operates municipal assets and generally bills the end customer, the contractual customer being the municipal entity. This implies that the assets generally remain the property of Saur's client and that investments must be carried out in partnership.



The observation of water withdrawals per subscriber on Saur's designated perimeter (France, Spain, Portugal) shows that this indicator has fluctuated over recent years, as illustrated in the table below. Therefore, committing to a constant reduction rate for the next 7 years by Saur on KPI 1 demonstrates a real ambition to go beyond business as usual.

Variation vs previous year in water withdrawal volumes per subscriber:

	2018	2019	2020
France [19]		-1.2%	+2.0%
Spain	-4.7%	+1.9%	-1.2%
Portugal	-1.3%	+0.4%	+0.6%

Strategies to achieve the SPTs

Saur is taking the following actions to reduce water withdrawals:

Action	Description	Level of control	Estimated relative contribution towards target in 2027
Improve raw water line efficiency	By implementing new pressure sensors and leak detection technologies as well as hypervision systems, the efficiency of raw water lines will be improved	Technologies are proposed by Saur	5%

[19] The data for France is based on a subset of contracts representing 88% of the volumes due to partial availability of data in years 2018 and 2019. It is included here for indicative purposes.

Improve the performance of drinking water production plants	The performance of the plants would be improved by the implementation of efficiency technologies and some interconnection works	Dependent on clients' willingness to invest	10%
Improve network performance	**One of the main levers consists in the enhancement of leak detection through human (field observation) and technological means**		**30%**
Limit unmetered volumes	Undesired usage of water (such as abnormal use of fire hydrants) can be reduced through the installation of sensors		2%
Reduce industrial consumption	Diagnosis will be conducted with water-intensive industrial customers in order to identify water savings levers, and will lead to the design of related solutions together with partners	Solutions are proposed by Saur Dependent on consumer attitude	10%
Reduce collective uses	The launch of technical diagnosis of all meters serving a public building will lead to the identification of relevant measures to reduce water use for public watering		5%
Promote reuse of treated water	Treated water could be reused for various industrial uses (e.g., filling the street-cleaning trucks, process water…) leading to the reduction of freshwater consumption	Dependent on regulation and local acceptance	5%
Reduce consumption by individuals sustainably	**One of the main levers consists in the reduction of water consumption by individuals, based on cultural change and awareness campaigns. Saur contributes to this by distributing water saving kits and performing targeted communication actions with partners**	Solutions are proposed by Saur Dependent on consumer attitude	**30%**

Potential barriers

The following external factors may represent hurdles in achieving the SPTs:

- Weather variations, such as heatwaves and frequent droughts that could modify consumption
- Saur's progress in improving the accuracy of measurement could result in changes in observed performance. As of today, part of Saur's data is based on assumptions, we may see variations in performance as we improve data accuracy.
- Significant variations in customer profiles, such as acquisition of low-performance contracts or contracts with a high proportion of industrial and/or large collective customers.
- The willingness of Saur's clients to invest in improvement of network performance. As described above, although Saur works with clients to influence their maintenance, Saur generally does not own the installations and the responsibility for investments in new infrastructure and solutions to improve overall system efficiency lies with the clients. However, Saur has undertaken several actions in order to influence positively its clients towards improvement of network performance, e.g.:

- Saur proposes equipment maintenance plans as part of its consulting role and produces studies on resource conservation
- Saur's subsidiary ImaGeau has developed an app, EMI, which offers resource monitoring solutions and allows anticipated management of drought-related risks on continuity of supply. Saur has a plan to deploy the EMI solution progressively across all contracts with high water stress risks.

2.2. Carbon intensity SPT trajectory

- **SPT 2:** 76.0 tonnes CO2/Group revenues in EUR (tCO2eq./M€) 3-year rolling average by 2023

Calibration of the target and KPI 2 past performance

Name	2018	2019	2020	2018-2020 3yr rolling average (baseline)	2021-2023 3yr rolling average
KPI 2: Carbon intensity $tCO_{2eq.}$/M€	138.8*	145.8*	148.4*	**144.3**	**76.0**

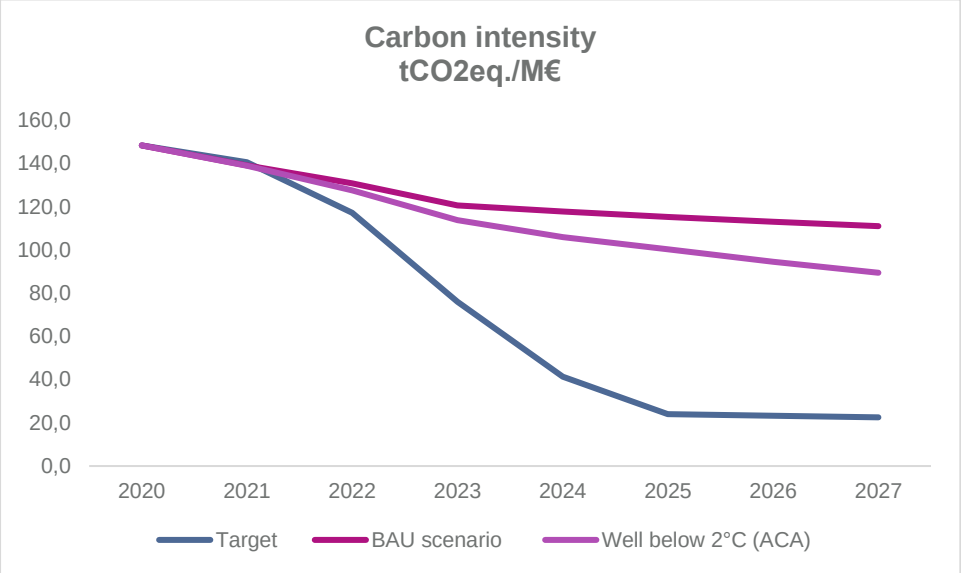
*Annual performance

The target is aligned with the following UN Sustainable Development Goal (SDG):

- *SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all*

Saur is committed to reducing the carbon intensity of its operations to 22.5 tCO2eq./M€ by 2027 as a result of the complete neutralisation of its emissions from electricity use through transition to renewables, as well as an estimated 32% reduction of emissions from transport use.

This reduction trajectory is particularly ambitious when compared to the past performance, to an estimated business as usual scenario[20] and to an estimated well below 2°C scenario based on the minimum rate of the absolute contraction approach[21] .



[20] The BAU scenario assumes the following:
- Scope 1: evolution based on the evolution of the forecasted revenues and taking into account an expected decrease of the carbon emissions per vehicle in line with the European regulation.
- Scope 2: (Electricity consumption forecasted per country) x (the average carbon intensity forecasted by country). The forecasted carbon intensity of France (~75% of the electricity consumption of the Group in 2020) relies on the Programme Pluriannuel de l'Energie planned for 2023 & 2028. The forecasted carbon intensity of the other countries where Saur is active follows the same historical trend that has been observed since 2016.

[21] The estimated well-below 2°C scenario relies on the minimum annual linear reduction rate of 2.5% of the absolute contraction approach developed by SBTI. This has not been verified by SBTI.

In the long-term, and beyond the scope of this framework, Saur targets net zero emissions on scopes 1 and 2 by 2035, and net zero emissions by 2050 in line with the climate-neutrality objective set by the EU within the European Green Deal [22]. These long-term commitments evidence Saur's willingness to be at the forefront of the fight against climate change.

Strategies to achieve the SPTs

Saur is taking the following actions to reduce carbon intensity:

	Action	Description	Estimated relative contribution towards target in 2027
Scope 1	**Transitioning the Group's fleet**	**Approximately 21% of Scope 1 and 2 emissions can be attributed to fuel for vehicles across Saur's fleet. By 2025, Saur intends to transition 15% of the fleet to electric vehicles i.e., approximately 1,500 vehicles**	**10%**
Scope 2	Reduction of power consumption	The technologies developed by Riventa, a company in which Saur is the main shareholder, can reduce the volume of energy required by drinking water production plant pumps by between 5% and 20%. The data generated by its innovative sensors are processed using algorithms that accurately diagnose pump efficiency and improve pumping system operation, maintenance and energy consumption. Other power saving measures are also deployed to reach an average 2% / year saving	10%
	On-site generation[23]	Self-consumption from photovoltaic panels installed on car parks, rooftops, green spaces – on our own premises or on client premises	2%
	PPA / Power Purchase Agreement	Renewable Power installations which put up their production for auction at a fix price over a certain period. Mainly two types of projects: new installations (available in some countries e.g., Spain, Portugal, Eastern Europe) or installations getting out of the guaranteed price period (France)	20%
	EAC / Energy Attribute Certificate	EAC is an ex-post Guaranteed Origin Certificate which allows the bearer to claim existing renewable energy production for its own. Can be local (Region) or global (Europe) with different quality levels.	60%

Overall, in the short term, the reduction of Saur's carbon intensity will largely be driven by a significant drop in its scope 2 emissions through the increased use of renewable energy as described above. Saur will then target the stabilisation of its scope 1 emissions through energy efficiency and green mobility technologies, coupled with the growth in revenue, which will lead to a further decrease of Saur's carbon intensity.

Potential barriers

- Significant variations in perimeter, such as acquisition of low-performance contracts or companies,
- Significant variations in applicable regulations (with respect to e.g., the use of EAC instruments in the European Union) and / or reporting standards
- Dependency on the willingness of customers to install on-site renewable energy assets, considering that Saur generally does not own the sites operated.

[22] EU 2050 long-term strategy: https://ec.europa.eu/clima/policies/strategies/2050_en

[23] As most potential production sites are not owned by Saur, the amount of on-site renewable power generation is constrained, and depends on the customer's will to have solar panels installed

2.3. Gender diversity SPT trajectory

- **SPT 3:** At least 28% of executive positions held by women by 2023

Calibration of the target and KPI 3 past performance

Name	2020[24] (baseline)	2023
KPI 3: % of executive positions held by women	21.2%	**28%**

The target is aligned with the following UN Sustainable Development Goal (SDG):

- *SDG 10: Reduced inequalities within and among countries*
- *SDG 5: Achieve gender equality and empower all women and girls*

SPT 3 is an interim target towards Saur's 2025 target of gender parity i.e., at least 40% of executive positions held by women by 2025. This target goes beyond international and national policy objectives, including the objectives proposed in 2021 by the National Assembly in France, targeting 30% of women in management positions by 2027 and 40% by 2030[25]. With this highly ambitious target, Saur aims to drive the water management industry towards gender equality.

Strategies to achieve the SPTs

Saur has put in place a number of measures to improve gender diversity within its teams and to recruit more women into the water management industry. These measures address all aspects of the promotion pipeline, from recruitment, to development and retention, as part of a holistic approach to improving gender diversity across the business including at the most senior levels.[26]

Saur focuses its work on promoting gender equality through its EllEau network, whose 60+ ambassadors support talented women in developing their careers. EllEau concentrates on three key priorities: recruitment, career support (with parenting and by monitoring discrepancies in promotion and pay) and sexism awareness. To ensure that it represents all Saur subsidiaries and to encourage local initiatives, EllEau also reaches out internationally.

The Group has also introduced further measures, including quarterly reporting to the Executive Committee on gender diversity indicators, taking part in the review of the European equal opportunities agreement and entering into partnership with the Femmes Ingénieurs organization, which encourages women to enter the engineering professions.

All the aforementioned measures and investments are expected to be carried out over the medium to long term and thus will have a sustainable and significant positive impact on the % of executive positions held by women. The 40% objective outlined in Saur CSR roadmap and set for 2025 is expected to be maintained thereafter.

Potential barriers

- Significant variations in perimeter, such as acquisition and integration of a company with low performance on gender equality in executive positions
- Availability of open executive positions in case of low turnover

3. Characteristics of the Sustainability-Linked Instruments

The financial characteristics of the instrument will be impacted as step-up coupon or margin adjustment depending on the nature of the instrument according to the achievement or non-achievement of the selected KPIs and applicable SPTs at the Target Observation Dates, as specified in the relevant instrument specific documentation as applicable.

Saur will recalculate its baselines and/or SPTs in case of any change that affects positively or negatively the value of the KPI(s) by at least 5% to reflect any significant or structural changes to the Group and/or any external parameters (such as company

[24] The historical data is not available for this KPI due to recent changes on the methodology of calculation of the KPI's performance. Saur used to count executive positions using a French method based essentially on contractual classification, which was not readily extensible to foreign countries. As the Group grows much more international, Saur decided to shift to a simpler methodology based on the strict hierarchy applicable at global level.
[25] Proposition de loi nº 4000 visant à accélérer l'égalité économique et professionnelle: https://www.assemblee-nationale.fr/dyn/15/textes/l15b4000_proposition-loi The proposed legislation is now under consideration of the French Senate and could be passed by the end of the year.
[26] In contrast to SPT 1 and 2, Saur cannot quantitatively attribute the contribution of each of these strategies to the achievement of the SPT 3 as they are part of a comprehensive strategy.

structure, methodology for calculating inventory, methodology for calculating the target, any discovery of significant errors). Any such change will be communicated within the annual reporting.

If, for any reason, the performance level against each SPT cannot be calculated or observed as prescribed, or not in a satisfactory manner (non-satisfactory manner to be understood as a verification assurance certificate provided by the independent auditor containing a reservation or the independent auditor not being in a position to provide such certificate), the step-up coupon or increased margin adjustment of the instrument will be applicable.

4. Reporting

Saur will publish and keep readily available and easily accessible on its external website a Sustainability-Linked Financing Report (the "report") included within the annual Sustainability reporting. The report will be made available annually until Saur has reported on the performance of the SPTs on the stated Target Observation Date. The report will include:

- Information on the performance and monitoring of the selected KPI;
- Verification assurance report relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on an instrument's financial performance; and
- Any relevant information enabling investors to monitor the progress of the SPT.

Information may also include when feasible and possible:

- Illustration of the positive sustainability impacts of the performance improvement; and/or
- Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope.

5. Verification

Saur's performance of the KPIs defined in the Framework, at the relevant Target Observation Date, will be verified by an external auditor as part of the Group's annual sustainability report audit process. Saur will provide verification to a limited level of assurance, the result of which will be included in the annual sustainability report.

Saur's Sustainability-Linked Financing Framework has been reviewed by DNV who provided a Second Party Opinion (SPO), confirming the alignment of the Framework with the ICMA Sustainability-Linked Bond Principles (SLBP) 2020 as well as the alignment with the LMA Sustainability-Linked Loan Principles (SLLP) 2021. The SPO will be made available on Saur's website.

6. Amendments to this Framework

Saur will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Saur will also review this Framework in case of material changes in the perimeter, methodology, and in particular KPIs and/or the SPT's calibration.

Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of a qualified provider of Second Party Opinions. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Verifier.

The updated Framework, if any, will be published on Saur's website and will replace this Framework.

7. Disclaimer

This Sustainability-Linked Financing Framework (the "Framework") does not constitute or form part of and should not be construed as any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Saur ("Saur") or any subsidiary or affiliate of Saur in any jurisdiction or an inducement to enter into investment activity nor should it or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any purchase, sale or subscription for any securities of Saur or any subsidiary or affiliate of Saur or be relied on in connection with any contract or commitment or investment decision whatsoever. Neither the Framework nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution.

Any bonds or other debt instrument that may be issued by Saur or its subsidiaries or affiliates from time to time, including any sustainability-linked securities, shall be offered by means of a separate prospectus or offering document (including any supplement thereto) in accordance with all applicable laws (including any selling restrictions). Any decision to purchase any such securities should be made solely on the basis of the information contained in any such prospectus or offering document (including any supplement thereto) provided in connection with the offering of such securities, and not on the basis of this Framework.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of Saur or any of its subsidiaries or affiliates assume any responsibility or obligation to update or keep current or revise the information or opinions contained in this Framework, regardless of whether such information or opinions are affected by the results of new information, future events or otherwise. Undue reliance should not be placed on the information and opinions contained in this Framework. This Framework represents current Saur policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Saur, and accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by Saur or any of its subsidiaries or affiliates or any of their respective members, directors, officers, agents or employees or any other person as to, and no reliance should be placed on, the fairness, accuracy, reasonableness or completeness of such information. None of Saur or any of its subsidiaries or affiliates or any of their respective members, directors, officers, agents or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of the Framework or its contents or otherwise arising in connection with the Framework.

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