ESG Solutions

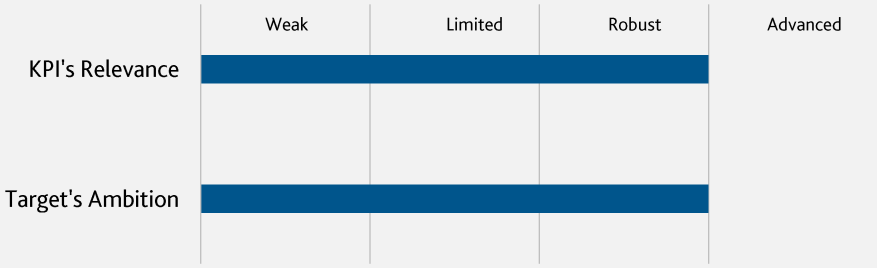
25 October 2022

SECOND PARTY OPINION

on SPIE's Sustainability-Linked Financing Framework

Moody's ESG Solutions considers that SPIE's Sustainability-Linked Financing Framework is aligned with the five core components of ICMA's Sustainability-Linked Bond Principles (SLBP) 2020 and LMA/APLMA/LSTA's Sustainability-Linked Loan Principles (SLLP) 2022.

Framework



SDG Mapping

Characteristics of the Framework

Audit of the Data	Yes
Three-year Historical Data	Yes: KPI 1a, KPI 2 No: KPI 1b, KPI 3
Nature of the Impacts on the Instrument's Characteristics	Financial: margin adjustment / coupon step up / premium payment
Disclosure of measures to achieve the SPT(s)	Yes

Sustainability Performance Targets (SPTs)

KPI 1a: Absolute Scope 1 & 2 GHG emissions (tCO_2e)
Reduce the Group's direct emissions by 25% by 2025 compared to 2019 emissions.

KPI 1b: Share of purchases in terms of GHG emissions from suppliers with carbon reduction science-based targets
67% of purchases in terms of GHG emissions will be made with suppliers who are also committed to reducing their own carbon footprint by 2025

KPI 2: Revenue aligned with EU taxonomy climate mitigation criteria, as a share of total revenues
50% revenues aligned with climate criteria of the EU Taxonomy by 2025

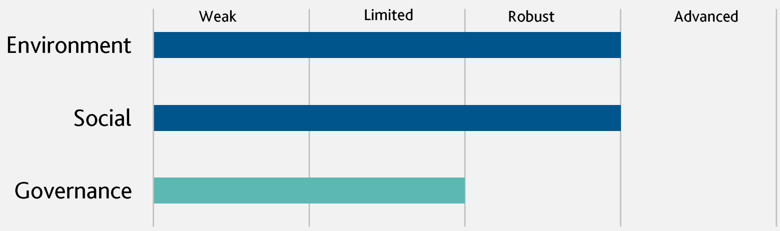
KPI 3: Share of women in key management positions (%)
25% increase in the share of women in key management positions (2020 baseline)

	2019	2020	2021	2025*
KPI 1a	**133,000**	**118,000**	**130,000**	**99,750**
KPI 1b	**NA**	**NA**	**17%**	**67%**
KPI 2	35%**	41%**	**42%**	**50%**
KPI 3	NA	16%	18%	20%

*Trigger event **The figures for 2019 and 2020 were based on the draft delegated acts, whereas the current figures are based on the final Climate Delegated Act, adopted in 2021.

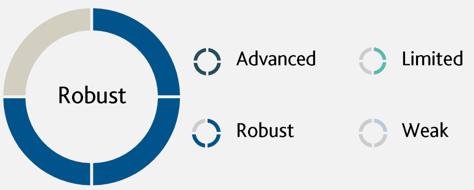
Issuer

ESG Performance as of July 2021



ESG Controversies

Number of controversies	None
Frequency	NA
Severity	NA
Responsiveness	NA



Involvement in Controversial Activities

☐ Alcohol
☐ Animal welfare
☐ Cannabis
☐ Chemicals of concern
☐ Civilian firearms
☐ Fossil Fuels industry
☐ Coal
☐ Gambling
☐ Genetic engineering
☐ High interest rate lending
☐ Human Embryonic Stem Cells
☒ Military
☒ Nuclear power
☐ Pornography
☐ Reproductive medicine
☐ Tobacco
☐ Unconventional oil and gas

Key Findings

Moody's ESG Solutions considers that SPIE's Sustainability-Linked Financing Framework is aligned with the five core components of the SLLP and SLBP.

Selection of the Key Performance Indicators (KPIs) – aligned with the SLBP & SLLP

- The KPIs are clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. They are publicly disclosed in the Framework.
- The KPIs are measurable and externally verifiable.
- The calculation methodology can change, and the Issuer commits to inform the investors of changes in the methodology.
- The KPIs' definition relies on external references allowing their benchmark.
- The selected KPIs reflect the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix. KPI 2 and 3 cover 100% of the activities, and KPI 1a and 1b together represent 97% of total GHG emissions. The relevance is considered robust for KPI 1a, 1b and KPI 3 and advanced for KPI 2.

Calibration of the Sustainability Performance Targets (SPTs) – aligned with the SLBP & SLLP and best practices identified by Moody's ESG Solutions

- The SPTs are consistent with the issuer's existing targets set in its sustainability strategy.
- The SPTs demonstrate an overall robust level of ambition.
- The timeline, baseline and trigger events are clearly disclosed and the target allows sufficient visibility on the KPI's performance.
- The means for achieving the SPTs are disclosed as well any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs. The means are considered credible.

Bond Characteristics – aligned with the SLBP & SLLP

- The potential variation of the instrument financial and/or structural characteristics depending on whether the selected KPIs would reach (or not) the predefined SPTs is clearly defined in the Framework and will be disclosed to investors in the instrument documentation.
- The meaningfulness of the variation of the SLB's structural and/or financial characteristics of the instrument cannot be assessed due to lack of details of financial implications at Framework level and lack of comparison data.

Reporting – aligned with the SLBP & SLLP and best practices identified by Moody's ESG Solutions

- The Issuer has committed to disclose all relevant information in public documentation in the annual URD (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPT(s) and baseline(s)).
- The reporting will be published annually and for any material changes, for the whole period that is relevant for assessing the SPTs and related trigger events.
- The intended scope and granularity of the reporting is clear and covers all the required elements
- The selected KPIs' related data are covered by an internal and external verification

Verification – aligned with the SLBP & SLLP and best practices identified by Moody's ESG Solutions

- The performance of each KPI against each SPT will be covered by an external verification, on an annual basis and in case of material changes impacting the SLB's financial and/or structural characteristics (such as a trigger event), until the maturity of the Bond.
- The verification assurance report will be publicly available.

Type of External Reviews supporting this Framework

☒	Pre-issuance Second Party Opinion	☒	Independent verification of KPI(s) reported data
☒	Independent verification of SPT(s) achievement		

Contact

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SCOPE

Moody's ESG Solutions was commissioned to provide an independent Second Party Opinion ("SPO") on the integration of four environmental and social factor(s) to the Sustainability-Linked Financing Instruments (the "Instruments") issued by SPIE (the "Issuer"), in compliance with the Sustainability-Linked Financing Framework (the "Framework") created to govern their issuances.

Of note, Sustainability-linked debt instruments are intended to finance general corporate purposes. As opposed to other sustainable financial instruments such as green/social bonds or loans, these instruments are agnostic on how funds are used. The main feature of this type of financing is the variation of the bond/loan's financial and/or structural characteristics, depending on whether the Issuer achieves predefined sustainability/ ESG objectives.

Our opinion is established using our Environmental, Social and Governance ("ESG") assessment methodology and the International Capital Market Association's (ICMA) Sustainability-Linked Bond Principles ("SLBP"), voluntary guidelines, published in June 2020 and the Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Sustainability-Linked Loan Principles ("SLLP") voluntary guidelines published in March 2022. This opinion is strictly limited to the integration of three environmental factors and one social factor to the Instruments. This opinion does not cover the integration of broader sustainability factors (i.e. governance), or the labelling of the Instruments where the final decision is left to SPIE. This opinion does not constitute a verification or certification.

Our opinion is built on the review of the following components:

1. Framework: we assessed the Framework, including the coherence between the Framework and the Issuer's environmental and social commitments, and the Framework's alignment with the five core components of the SLBP 2020 and SLLP 2022.

2. Issuer[1]: we assessed the Issuer's ESG performance, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities[2].

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from Moody's ESG Solutions' exclusive ESG rating database, and (iii) information provided from the Issuer, through documents and interviews conducted with the Issuer's managers and stakeholders involved in the Bonds issuance, held via a telecommunications system.

Our opinion and work has been carried out in good faith. Moody's ESG Solutions has not performed any audit, site visit, inspection, nor other tests to establish the accuracy of the information provided by the Issuer. The Issuer is solely responsible for the correctness of the information it has provided and its compliance with, and implementation of, its commitments.

We carried out our due diligence assessment from September 28 to October 25, 2022. We consider that we were provided access to all documents and interviewees we solicited. To this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

[1] Spie is part of Moody's ESG Solutions rating universe - the last ESG rating was performed in July 2021.
[2] The 17 controversial activities screened by Moody's ESG Solutions are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Gambling, Genetic engineering, High interest rate lending, Human Embryonic Stem Cells, Military, Nuclear power, Pornography, Reproductive medicine, Tar sands and oil shale, and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

Moody's ESG Solutions considers that the selected KPIs are coherent with SPIE's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

In 2021 SPIE published the results of its first ever materiality analysis and defined the Group's mission to contribute to a less energy-intensive world and to promote the use of less carbon-intensive energies. The Group's main stakeholders, namely employees, customers, investors, suppliers and partners helped to identify the priority issues of the organization for the next three following years. SPIE has developed a roadmap to 2025, which can be found in the Universal Registration Document (URD)[3] and includes several KPIs with targets to 2025. Of note, the KPIs included the financing Framework are the same as some included in the URD and CSR roadmap, highlighting the coherence of this financing Framework.

SPIE has been a member of the United Nations Global Compact since 2003[4] and has formalised its CSR policy around four key areas:

- **Environment**: SPIE's business lines and expertise give it the possibility to reduce the carbon footprint of its customers. SPIE is also committed to reducing its own carbon footprint.
- **Social**: As a service company, SPIE presents its employees as its major asset. The Group aims to guarantee the safety of its employees in the workplace, through professional training and career progression, and fostering constructive industrial relations.
- **Economy**: SPIE aims for economic performance while respecting high ethical requirements and favouring mutual trust and long-term relationships with all its stakeholders.
- **Society**: SPIE promotes diversity and encourages its employees to dedicate their time for a sustainable world, thus illustrating its proximity and responsibility values.

The Group has identified energy transition and digital transformation as being the key areas which are shaping its operating environment. Energy transition, green economic recovery, and customer shift towards more sustainable solutions appear at the top of the materiality analysis and reinforce SPIE's strategic focus on facilitating and serving an economy that addresses climate issues. The European energy transition in particular has been targeted as a key area for SPIE to accompany the recovery plans around energy efficiency, renewable energies and sustainable mobility where the Group believes it is well positioned to support such transformations. In 2021, SPIE announced that the Group wanted to generate 50% of its 2025 revenue from certain activities that contribute substantially to the mitigation of climate change according to the standards of the European Taxonomy Regulation (and as defined by the Climate Delegated Act and Complementary Climate Delegated Act on nuclear and gas energy activities).

SPIE has been identifying and quantifying the significant (scope 1, 2 and 3) sources of greenhouse gas (GHG) emissions linked to its activities since 2009. Given its nature as a technical service provider, the Group can provide advice and assistance to customers in their own energy transition approach, thereby supporting their efforts to reduce GHG emissions. The range of energy transition solutions are illustrated in SPIE's 2021 report "Solutions for the Energy Transition".[5]

Diversity has been identified by SPIE in its URD as an integral part of the Group's guiding principles, management values and social responsibility. In addition, diversity contributes to employee attracting and retention, which has been identified as one of the main elements in SPIE's CSR risk analysis. Since 2008, SPIE has formalised its commitments in a Diversity Charter[6] the objective of which is to strengthen the Group's commitment to the prevention of discrimination and to equal opportunities. The promotion of diversity as a "development factor" has been identified as involving concrete actions around four priority areas: achieving a better gender balance, employing more workers with disabilities, nurturing a healthy generational mix and promoting diverse backgrounds.

[3] https://lib.spie.com/media/87b921f3-1f33-463e-813c-47bf02c93249#v=Version1&l=en&lc=1
[4] https://www.unglobalcompact.org/what-is-gc/participants/8737-SPIE-SA
[5] https://www.spie-nl.com/sites/default/files/2022-03/Solutions%20for%20the%20Energy%20Transition%20SPIE%202021.pdf
[6] https://lib.spie.com/media/3c7facff-f816-4ae2-9ed0-541f1ecd5622/#v=Version1&l=en&p=8

FRAMEWORK

The Issuer has described the main characteristics of the Instruments within a formalized Framework which covers the five core components of the SLBP 2020 and SLLP 2022 (the last updated version was provided to us on October 25th, 2022). The Issuer has committed to make this document publicly accessible on its website, in line with good market practices.

Alignment with Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Selection of the Key Performance Indicators (KPIs)

Not Aligned	Partially Aligned	**Aligned**	Best Practices

Table 1. Analysis of the KPIs selected by the Issuer

KPI 1A: ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS

KPI 1B: SHARE OF PURCHASES IN TERMS OF GHG EMISSIONS FROM SUPPLIERS WITH CARBON REDUCTION SCIENCE-BASED TARGETS

KPI 2: SPIE'S REVENUE ALIGNED WITH EU TAXONOMY CLIMATE MITIGATION CRITERIA, AS A SHARE OF TOTAL REVENUES

KPI 3: SHARE OF WOMEN IN KEY MANAGEMENT POSITIONS

Definition: Clarity And Disclosure

The KPIs are clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. They are publicly disclosed in the Framework and this SPO.

KPI 1a: Absolute greenhouse gas (GHG) emissions, scope 1 & 2, in tCO2e

The rationale for selecting KPI 1a and 1b is clearly presented in the Framework.

The unit of measurement is tonnes of carbon dioxide equivalent (tCO_2e). Scope 1 corresponds to the direct emissions resulting from fossil fuels' combustion for the energy consumption of SPIE's buildings and fleet of vehicles. Scope 2 concerns indirect emissions associated with the Group's electricity consumption from buildings and their fleet.

The scope and perimeter of the KPI covers 100% of the company-wide entities whilst the Group follows the GHG Protocol standard and uses the databases of the French Environment and Energy Management Agency[7] to determine emission factors, which are updated annually. Scope 2 emissions are calculated using the GHG Protocol location-based method.[8]

KPI 1b: Share of purchases in terms of GHG emissions from suppliers with carbon reduction science-based targets

The indicator covers the share of Scope 3 emissions originating from suppliers (purchased goods and services, capital goods, fuel and energy-related activities and waste generated in operations) with science-based targets on the reduction of GHG emissions. SPIE tracks which of its suppliers meet these conditions following 3 maturity levels: low (carbon footprint calculation), medium (target set without third party validation), and advanced (target validated by third party). Only suppliers at medium and advanced are included in the scope of the KPI. Of note, this is a qualitative target (percentage of emissions from suppliers) rather than a quantitative one (amount of emissions), and follows the criteria of SBTi for supplier engagement targets[9].

For the identification and tracking of suppliers at the medium and advanced maturity levels, SPIE uses various tools including third-party service providers. In addition to SBTi and Ecovadis, which has developed a dedicated module for

[7] www.ademe.fr
[8] https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf
[9] https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf

assessing suppliers' carbon emissions management maturity, SPIE has broadened its approach to account for local service providers in other countries where the group is present, such as CO2 Prestatieladder in the Netherlands and Integrity Next in Germany. According to SPIE, this allows it to increase the coverage of its supplier engagement action since not all suppliers are familiar with either SBTi or Ecovadis.

As SPIE is a service company (it installs products, it does not manufacture them) and based on the GHG protocol, they do not include downstream emissions from the use of installed products as part of its scope 3. SPIE updated the monetary purchasing emissions factors in 2021, through an ad hoc study carried out with the help of an expert consultant, which is detailed in the URD.

KPI 2: SPIE's revenue aligned with EU taxonomy climate mitigation criteria, as a share of total revenues

The rationale for the selection of KPI 2 is reflected in SPIE's CSR Objectives where it targets to reach 50% green share of revenue by 2025, as well as their materiality matrix where customer shift towards more sustainable solutions is placed as the top priority.

The KPI covers 100% of SPIE's business. It represents the share of revenue aligned with EU Taxonomy climate mitigation criteria as a share of total revenue, which SPIE also refers to as the "green share" of its total revenue. The EU Taxonomy (EU 2020/8522 regulation published in April 2021) is a classification system that defines which activities can be considered as "green". To be aligned with the EU Taxonomy, an eligible economic activity must meet performance thresholds (referred to as "technical screening criteria", or "TSC"), thanks to which it is considered that it makes a substantive contribution to one of six environmental objectives and does no significant harm (DNSH) to the other five. For the moment, only the criteria for substantial contribution to Climate Change mitigation and adaptation have been adopted, the criteria for the other four environmental objectives are expected to be published by the end of 2022. In this context, for the moment SPIE's "green share" only represents activities with substantial contribution to the climate change mitigation objective. In addition, the company must meet minimum safeguards (OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).

The KPI's calculation methodology and coverage are the following:

The KPI methodology was established in collaboration with a consulting firm specialized in environmental strategy. Revenue deemed as "green share" is aligned to technical screening criteria for contribution to climate change mitigation as included in the Climate Delegated Act, as well as the criteria included in the Complementary Climate Delegated Act including nuclear and gas energy activities (to be applied on 1 January 2023).[10]

SPIE determines the "green share" through an internal economic intelligence tool and responses from each business division to a questionnaire which includes the EU Taxonomy's substantial contribution criteria for the activities that SPIE is involved in. Sales and operational departments are responsible for identifying the green share and responding to the annual questionnaire. Estimates and residual uncertainties are documented in the questionnaires and in 2021, the uncertainty margin was estimated at +/-4% on 42% of revenue aligned with the European taxonomy on climate change mitigation.

The information collected from the questionnaire determines the proportion of the green share (expressed as a percentage of their revenue generated in the corresponding Work Destination/Asset Cycle)[11] that validates the various criteria of the EU Taxonomy. To avoid double-counting, a MAX[12] calculation is applied to determine the largest share amongst the similar businesses. For example, the Green Share of the building renovation activity is the maximum between the Green Share of the overall renovation performance on one hand, and the sum of the Green Shares of each individual measure (HVAC, thermal insulation, LED installation, etc.) on the other. The Green Share at the Work Destination level is obtained through the weighted average of the asset cycles score and their respective revenues. The Business Unit's final Green Share is then obtained as a weighted average of the different work destination scores and their respective revenues.

Furthermore, SPIE clarified that they strictly applied the TSC without extrapolation. For example, LEDs in public lighting, which SPIE considers to have clear environmental benefits thanks to energy savings, were not included in the final green share of activities due to public lighting not being included in the EU taxonomy. Only LED for buildings were included in the final green share, as they are covered by the EU Taxonomy.

From the information SPIE has provided on the KPI's calculation methodology, Moody's ESG Solutions considers the Issuer has robust processes in place to identify the activity's that are aligned with the EU Taxonomy. In terms of DNSH and Social Safeguards, criteria are analysed and validated at Group level. SPIE's is a Multi-Technical Service Provider whose main business activity consists of installing, renovating and designing solutions that help their customers improve their energy efficiency. They do not produce the technology or hardware they provide to their clients and hence the DNSH criteria often do not apply. For example, under the new building economic activity, SPIE provides services pertaining to the installation and maintenance of energy efficient equipment but is not responsible for the production or use of this hardware. Hence the DNSH requirement regarding the water and waste maintenance does not apply to them, and indeed

[10] https://finance.ec.europa.eu/publications/eu-taxonomy-complementary-climate-delegated-act-accelerate-decarbonisation_en
[11] SPIE's classification system for its economic activities (i.e. Data Centre, Transport Infrastructure, Electrical network, Telecoms, Gas networks)
[12] Excel Statistical functions to calculate the highest score amongst the list of numeric values

these DNSH criteria are not included for the EU Taxonomy activity "installation, maintenance and repair of energy efficiency equipment".

Lastly, SPIE conducted an internal self-assessment supported by an external consultant to confirm that the compliance with all European social and environmental regulations in force ensures the respect of the DNSH and Social Safeguards criteria. In addition, the Issuer committed that in the event of non-compliance with minimum social safeguards by a project, the project in question cannot be considered aligned with the EU Taxonomy, even if, technically, it fulfils all of the TSC. As this information on revenue aligned with the EU Taxonomy is included in SPIE's annual URD, it is subject to the third-party audit of the report's extra-financial performance declaration. Auditors perform every year a full review of at least 20% of SPIE's revenues during site audits, and at Group level review the methodology, definitions, processes, and consolidated Group figures. Moody's ESG Solutions has not conducted any assessment to verify or audit whether or not the "green share" presented by the Issuer is EU Taxonomy aligned.

KPI 3: Share of women in key management positions (%)

The rationale for selecting this KPI is clearly presented in the Framework.

The KPI measures the share of women in key management positions. Its scope covers 100% of SPIE's business. A "key management position" is defined as a position with a minimum 15 grading, according to the Willis Towers Watson (WTW) Global Grading System (GGS)[13]. The numerator is made of the number of women in these positions, and the denominator of the total number of people in these positions.

Measurability, Benchmark And Verifiability

The KPIs are measurable and are externally verifiable. The calculation methodology can change, and the Issuer commits to inform investors of changes in the methodology. The KPIs definition relies on external references allowing their benchmark.

KPI 1a is measurable and externally verified. Historical data for the period 2019 –2021 confirming the direct and indirect Scope 1 and 2 GHG emissions of the Group is published in SPIE's s most recent consolidated URD[14], also available on the Group's website. Section 3 of the Group's latest URD (Statement of Non-Financial Performance) is subject to a limited assurance audit.

KPI 1b is measurable and externally verified. Historical data is only available for the period 2021 as the Group only started tracking the figures relevant to this KPI once it had set its own science-based targets. The historical data can be verified and is available in Section 3 of the most recent URD (Statement of Non-Financial Performance) for the period 2021 and will be subject to a limited assurance audit starting in 2022. Of note, CO_2 emissions related to the purchase of goods and services are already in the scope of audit, along with other purchasing indicators.

KPI 2 is measurable and externally verified. It has been previously publicly disclosed since 2019 as part of the URD. Of note, SPIE's assessment of its green share evolves following the developments of the EU Taxonomy over time. As such, the figures for 2019 and 2020 were based on the draft delegated acts published by the Commission, whereas the current figures are based on the final Climate Delegated Act, adopted in 2021. According to SPIE, the differences between the draft Delegated Acts and the final adopted Delegated Act are not material for its activities. Its calculation methodology will evolve to follow the changes to the EU Taxonomy, for instance the integration of nuclear and gas activities in 2023. SPIE has confirmed that all of the modifications will be highlighted in the methodological note of the extra-financial performance declaration. KPI 2 references the EU Taxonomy TSC, an external reference and international standard, to select businesses to be included under this KPI then applies its internal economic intelligence tool to determine the final green share of revenue. However, the benchmark exercise of this KPI can be challenging due to the recent implementation of the EU Taxonomy.

KPI 3 is measurable and externally verified. It was previously disclosed in 2021, and as part of the URD will be subject to a limited assurance audit starting in 2022. As the job grading was done at the end of 2020, there is no data for previous years. Of note, other related KPIs are already included in the audit scope, such as headcount.

Relevance And Materiality

The selected KPIs reflect some of the Issuer's most material sustainability issues for its current and future operations, as well as some of the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix. KPI 1a covers Scope 1 & 2, KPI 1b covers Scope 3, representing together 97% of the total GHG emissions of the company. The Issuer has committed to always use KPI 1a in conjunction with 1b. KPI 2 and 3

[13] https://www.wtwco.com/en-GB/Solutions/services/job-architecture-job-leveling-and-reward-and-career-frameworks
[14] https://lib.spie.com/media/87b921f3-1f33-463e-813c-47bf02c93249#v=Version1&l=en&lc=1

are company-wide, covering 100% of SPIE's activities. The relevance is considered robust for KPI 1a, 1b and KPI 3 and advanced for KPI 2.

KPI 1a: Absolute greenhouse gas (GHG) emissions, scope 1 & 2, in tCO_2e

On its own, KPI 1a partially reflects material sustainability issues for SPIE's current and future operations and partially reflects relevant sustainability challenges for its industry sector. This is because Scope 1 & 2 emissions represent only 9% of the Group's total emissions.[15] This is mitigated by SPIE's commitment to always use KPI 1a with KPI 1b in the issuance of any sustainability-linked instruments. KPI 1b covers 88% of the Group's total GHG emissions, thus together KPI 1a and KPI 1b would represent 97% of the Group's GHG emissions.

Reducing SPIE's carbon footprint is one of the key objectives of its CSR policy, following the Group's materiality matrix analysis which identified the shift in the energy mix and the green economic recovery as being some of the most material issues for SPIE and its stakeholders, representing SPIE's contribution to climate change mitigation and international climate goals.

SPIE has been identifying and quantifying the significant sources of GHG emissions linked to its activities since 2009. The carbon footprint covers direct emissions linked to the energy consumption of the vehicle fleet and SPIE sites, as well as indirect consumption (emissions from waste processing, the manufacturing and transportation of purchased products and business travel). It is worth noting that SPIE has highlighted that 2021 was marked by a strong upturn in activity for the Group including a series of bolt-on acquisitions totalling €277 million in revenue acquired.

KPI 1b: Share of purchases in terms of GHG emissions from suppliers with carbon reduction science-based targets

KPI 1b reflects one of the most material sustainability issues for the Issuer's current and future operations, as well as one of the most relevant sustainability challenges for its sector. It covers 100% of purchases and suppliers, as well as capital goods, fuel and energy related activities and waste generated in operations, which together represent 97% of Scope 3 emissions (the other 3% are business travel and employee commuting, which have been quantified and for which SPIE also has reduction targets), and 88% of the Groups total carbon footprint.[16] Although KPI 1b is not a quantitative Scope 3 GHG emissions reduction target, due to SPIE's large and diverse supplier base (69,000 suppliers) and challenges in the quantification of Scope 3 emissions at product level, a qualitative supplier engagement target can be considered as a step towards engagement of suppliers for the quantification of their emissions, and thus as material for the measurement and subsequent reduction of SPIE's overall GHG emissions.

According to a recent technical note by the CDP[17] Scope 3 GHG emissions still represent the majority of emissions for many sectors, so it is crucial that companies are aware of, and measure all relevant sources of Scope 3 emissions in their value chain. The report highlights that identifying and reporting all relevant sources of Scope 3 emissions can be a difficult task citing that the qualitative nature of the GHG Protocol's criteria for identifying relevant Scope 3 activities leads to ambiguity in their interpretation, which makes it even more important for a multi-technical services company like SPIE. According to the latest Science Based Targets Initiative Annual Progress Report[18] (2022 Update) Scope 3 emissions reduction is a key challenge for companies, often due to a lack of visibility and monitoring of suppliers' data. Companies also face engagement gaps between their suppliers and procurement teams. A World Economic Forum report[19] highlights that setting procurement standards for suppliers is one of the most powerful direct levers to address upstream emissions and beyond defining procurement standards, supply chain emission reductions often require more intensive supplier collaboration to educate suppliers about decarbonization levers, provide technical advice, enable longer-term asset upgrades and cultivate continuous improvement. SPIE also reports that its sustainable purchasing policy has been part of the Group's roadmap for several years and is now at the heart of its strategy.[20] SPIE has stipulated that they may use KPI 1b on a stand-alone basis.

KPI 2: SPIE's revenue aligned with EU taxonomy climate mitigation criteria, as a share of total revenues

The selected KPI reflects the SPIE's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector and it covers 100% of the activities. In addition, the KPI has also been identified by the Issuer in its materiality matrix.

According to the European Commission, the EU Taxonomy is a necessary tool to support companies in the transition to climate neutrality and sustainable economy. Given the diverse economic activities that exist today, such a tool creates a common language for what constitutes green activities that all stakeholders can refer to. Identifying the share of EU Taxonomy aligned economic activities as well as targeting an increase of its share will very likely facilitate the transition

[15] https://lib.spie.com/media/87b921f3-1f33-463e-813c-47bf02c93249#v=Version1&l=en&lc=1
[16] https://www.spie.com/sites/www.spie.com/files/2022-06/URD%202021%20-%20Version%20anglaise.pdf
[17] https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/003/504/original/CDP-technical-note-scope-3-relevance-by-sector.pdf?1649687608
[18] https://sciencebasedtargets.org/resources/files/SBTiProgressReport2021.pdf
[19] https://www3.weforum.org/docs/WEF_Net_Zero_Challenge_The_Supply_Chain_Opportunity_2021.pdf
[20] https://www.spie.com/en/suppliers/sustainable-purchasing-ambitious-and-collaborative-strategy

towards carbon neutrality by 2050.

As demonstrated in the materiality matrix of 2021 URD, ''Client Shift to Sustainability'' and "Green economic recovery" are absolute priorities that equally impact SPIE as well as its stakeholders. A target for 50% of green share revenue by 2025 reinforces SPIE's strategic focus on facilitating the energy transition and serving an economy that addresses climate issues.

SPIE's four main businesses are efficient building, smart city, energy and industrial services, all of which are critical sectors that require significant reduction in GHG emissions to achieve the 1.5 degree Paris Agreement goal. Specific services under this KPI include electrical and HVAC services, digital data storage, grid connection of renewable energy sources and low-carbon mobility solutions (public transport, electric vehicle charging infrastructure). Increasing the share of EU Taxonomy aligned revenue will ensure such projects support the environmental transition while avoiding significant harm.

As of today, large financial and non-financial companies[21] that fall under the scope of the Non-Financial Reporting Directive[22] disclose the revenue share of EU Taxonomy-eligible economic activities, however few of them disclose revenue share that is aligned with the EU Taxonomy, and not just eligible. Alignment ensures the explicit compliance to all of the technical criteria while avoiding significant harm to any other environmental objectives and ensuring that proper social safeguards are in place. Given that the requirement to be "EU Taxonomy-aligned" is more stringent than to be "EU Taxonomy-eligible", as well as the fact that a quantitative target is set to increase its share, SPIE's efforts are considered relevant and material.

KPI 3: Share of women in key management positions (%)

KPI 3 reflects one of the most material sustainability issues for the Issuer's current and future operations, as well as one of the most relevant sustainability challenges for its sector and it covers 100% of the activities.

Moody's ESG Solutions considers that the selected KPI 3 reflects one of the Issuer's material sustainability issues as well as a material challenge for its sector. According to the materiality matrix presented in the Issuer's URD, employee retention and skills shortages are recognised as important challenges both internally and externally (for SPIE and its stakeholders), both topics that are closely linked to gender and diversity through the need to recruit and retain talent.

A study[23] conducted in 2020 by the French Centre for Studies and Research on Qualifications (Céreq) showed that although women reach managerial positions in similar proportions to men, particularly at the beginning of their careers, they lag significantly behind when it comes to accessing to management positions associated with hierarchical responsibilities. However, when women are well represented at the top, companies are 50% more likely to outperform their peers, according to McKinsey[24].

In general, all companies, regardless the economic sector or country of origin, should address diversity issues and equal opportunities within their workforce, as the non-discrimination in hiring, occupation and termination of employment is considered as a fundamental right by the International Labour Organisation, the United Nations, and the European Union.

Science, technology, engineering, and mathematics (STEM) disciplines and related sectors, such as heavy industry or indeed industrial goods & services, lag behind many other sectors on the advancement of women. Globally, only 36% of STEM graduates are women, and in heavy industry at executive level, there is only 12% female representation[25]. In France, the domicile of the Issuer, fewer than 30% of engineers are women, with the proportion having plateaued in recent years after growing rapidly from 1970 through 2014, according to the French Society of Engineers and Scientists (IESF).[26]

BEST PRACTICES

The KPIs' definition relies on external references allowing their benchmark.

The selected KPIs reflects the Issuer's most material sustainability issues for its current and future operations, as well as the most relevant sustainability challenges for its sector. In addition, the KPIs have also been identified by the Issuer in its materiality matrix.

KPIs 2 and 3 cover more than 90% of the company's total activity and KPIs 1a and 1b together cover more than 90% of the company's total GHG emissions.

[21] European listed and large public-interest companies with more than 500 employees and that have either a balance sheet total of more than 20 million euros or a net turnover of more than 40 million euros
[22] https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en
[23] Femmes managers en début de carrière : une légitimité à conquérir | Cereq
[24] https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace
[25] https://www.spencerstuart.com/research-and-insight/women-in-the-european-industrial-sector
[26] https://www.iesf.fr/offres/doc_inline_src/752/Synthese_Infographie_EnqueteIESF2021.pdf

SDG Contribution

The selected KPIs are likely to contribute to five of the United Nations' Sustainable Development Goals ("SDGs"), namely:

KPI	SDG	SDG TARGETS
KPI 3: Share of women in key management positions	5 Gender Equality	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
KPI 2: Revenue aligned with EU Taxonomy	7 Affordable and Clean Energy	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix 7.3: By 2030, double the global rate of improvement in energy efficiency
KPI 2: Revenue aligned with EU Taxonomy	9 Industry, Innovation and Infrastructure	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
KPI 3: Share of women in key management positions	10 Reduced Inequalities	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
KPI 1a: Absolute Scope 1 & 2 GHG emissions KPI 1b: Share of purchases in terms of CO2 emissions KPI 2: Revenue aligned with EU Taxonomy	13 Climate Action	13.2: Integrate climate change measures into national policies, strategies and planning

Calibration of the Sustainability Performance Target (SPT)

Not Aligned	Partially Aligned	Aligned	Best Practices

Ambition

KPI 1A: ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS

By using the absolute values of Scope 1 and 2 GHG emissions per year, the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to mitigating climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 1 –Absolute Scope 1 and 2 GHG emissions, calculate in tonnes of carbon dioxide equivalent (tCO_2e)

KPI	REPORTED DATA						OBJECTIVES
	2016	2017	2018	2019 (Baseline)	2020	2021	2025*
	106,000	152,000	133,000	133,000	118,000	130,000	99,750
Annual variation (%)	NA	43.4%	-12.5%	0.0%	-11.3%	10.2%	
Total Variation (%) 2016-2021	+22.6%						
Average Annual Variation CAGR (%) 2016-2021	+4.2%						
Total Variation compared to baseline (%) 2019-2025					-25%		
Average Annual Variation CAGR (%) (Baseline 2019-2025)					-4.7%		

*Trigger event

The SPT is consistent with the Issuer's existing targets set in its Group sustainability strategy.[27]

Based on several points of comparison, Moody's ESG Solutions considers that SPIE's target demonstrates an advanced[28] level of ambition.

The timeline, baseline and trigger event is clearly disclosed and the target allows sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

The SPT represents a material improvement compared to the company's Business as Usual (BaU).

The objective is to reach 99,750 (tCO2e) of absolute GHG emissions by 2025, compared to the 2019 baseline which is equivalent to 133,000 (tCO2e). This represents a 25% reduction of absolute GHG emissions and corresponds to objective #2 –"significantly reducing SPIE's carbon footprint" as defined in the Group CSR roadmap.

[27] https://www.spie.com/en/suppliers/sustainable-purchasing-ambitious-and-collaborative-strategy
[28] Moody's ESG solutions scale of assessment: Weak / Limited / Robust / Advanced

SPIE has reported that operating as a service company means that Scope 1 and 2 GHG emissions represent a limited share of the Group's total emissions (10% in 2021). SPIE also reports that 2021 was marked by a strong upturn in operational activity which included a series of bolt-on acquisitions totalling €277 million in revenue acquired by the Group. On a like-for-like basis, the reduction in SPIE's carbon footprint for Scope 1 & 2 GHG emissions would have been 5% compared to the 2019 reference year. However, the effect of acquisitions resulted in only a 2% reduction of the carbon footprint. The Scope 1 and 2 GHG emissions levels (tCO2e) for the reporting period 2016-2021 demonstrate mixed performance by the Group. The 2018 and 2019 (Baseline) figures show identical levels of Scope 1 and 2 GHG emissions (133,000 tCO2e) followed by a reduction from 2019 to 2020 and then an increase for the period 2020-2021. The average annual variation (CAGR) for the period 2016-2021 demonstrates a 4.2% annual increase in GHG emissions which is equivalent to a total absolute increase of 22.6% for the same period. The selected target for 2025 would require an overall 25% reduction of Scope 1 and 2 GHG emissions compared to a 2019 baseline, which represents an average annual reduction of circa 4.7%. This trajectory demonstrates that the target SPIE have adopted is more ambitious than the current BAU trajectory.

Sector Peers Benchmark

The SPT demonstrates <u>advanced</u> level of performance compared to sector peers.

The SPIE Group is classified under SBTI's *Trading Companies and Distributors, and Commercial Services and Supplies* sector category. There are approximately 105 companies who have been classified under this category as of October 3rd 2022 with validated targets allowing a peer benchmark to be conducted. Along with CEWE Stiftung & Co. KGaA (Germany) SPIE appears to be the only other company under this classification with a 1.5°C Near-Term validated target approved by the SBTi before the year 2030. Both organizations have validated Near-Term targets for the year 2025. SPIE's SPT (2025) and validated Near-Term ambition appears to demonstrate that it will be one of the only firms to reduce Scope 1 and 2 emissions in the Near-Term which will enable it to achieve the temperature alignment targets in line with the goals of the Paris Agreement. The ambitiousness of SPIE's SPT appears to also be in line with that of CEWE Stiftung & Co. KGaA, which has a validated SBTi target and commitment to reduce absolute Scope 1 and 2 emissions by 50% by 2025 from a 2015 base-year representing and average annual reduction of circa 6.7%.

Due to the low number of peers in SPIE's SBTi Category who have set targets, Moody's ESG Solutions has also assessed SPIE's targets in relation to companies in a different SBTi sector category (Electrical Equipment and Machinery) as they operate in a related sector. Moody's ESG Solutions has identified three companies with a Near-Term 1.5°C temperature alignment target for their Scope 1 and 2 emissions and a Scope 3 supply chain emission reduction target. Rexel commits to reduce absolute Scope 1 and 2 GHG emissions 60% by 2030 from a 2016 base year also sharing a SBTi validated Near-Term trajectory of 1.5°C. This represents a circa 6.3% average annual reduction. Legrand commits to reduce absolute Scope 1 and 2 GHG emissions by 50% by FY2030 from a FY2019 base year. The baseline chosen by Legrand (2019) corresponds with SPIE's own baseline, facilitating this peer benchmark comparison. Legrand's average annual reduction of Scope 1 and 2 GHG emissions would represent an average reduction of 6.1% per year. Schneider Electric commits to reduce absolute scope 1 and 2 GHG emissions by 76% by 2030 from a 2021 base year representing an average annual reduction of 14.7%, which appears to be one of the most ambitious SPTs identified. Of note, these companies also manufacture electrical equipment, whereas SPIE is not involved in manufacturing, as such their levers for GHG emission reductions are different.

Official International Targets and Scenarios Benchmark Analysis

The SPT demonstrates an <u>advanced</u> level of ambition compared to sector standards.

SPIE's commitment to help limit climate change to 1.5 degrees above pre-industrial levels were validated by the Science Based Targets initiative (SBTi) in 2021 (Near-Term target). Near-Term targets outline how organizations will reduce their emissions over the next 5-10 years. These targets galvanize the action required for significant emissions reductions to be achieved by 2030. Near-term targets are also a prerequisite for companies wishing to set net-zero targets in the future. The minimum reduction required for targets to be in line with SBTi 1.5°C scenarios is currently 4.2% in annual linear terms. SPIE's SPT demonstrates a reduction of (4.7%) going beyond the minimum SBTi requirement.

MEASURES TO ACHIEVE THE SPT

The means for achieving the SPT are disclosed, as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPT. The means are considered credible.

SPIE aims to implement the following actions and initiatives to help achieve the SPT for Scope 1 and 2 GHG emissions reductions of which its vehicle fleet accounts for 87% of the direct Group emissions:

<u>Vehicle Fleet</u>

- SPIE declares pursuing a proactive policy of electrifying its vehicle fleet, the progress of which it monitored through an ad hoc steering committee that meets monthly. The figures are reviewed monthly by the Executive Committee.
- The vehicle policies of the subsidiaries were reviewed in 2021 to include a greater number of electric vehicles in the catalogue. Usage questionnaires were rolled out to identify the type of vehicle best suited to an employee's driving

profile. Charging infrastructure financing mechanisms, whether at the employee's home or on a SPIE site, were specified.

- Some subsidiaries, such as SPIE UK, replaced one-third of their commercial vehicle fleet with electric vehicles in 2021.
- At the end of 2021, 4 % of SPIE's vehicle fleet (company cars, service vehicles and light commercial vehicles) were plug-in hybrid or electric, compared to 2 % the previous year. (Electric vehicles represent 33% of the total fleet orders as of July 2022)

Real Estate

- The real estate function manages the energy consumption of its real estate portfolio. Heating, air-conditioning, ventilation, lighting and office equipment are subject to detailed energy monitoring. The real estate departments of the subsidiaries have been identified as choosing more energy-efficient buildings when moving.
- In France and Germany, the Group's subsidiaries that provide expert energy management solutions for buildings (SPIE Facilities in France, SPIE Efficient Facilities in Germany) were entrusted with the maintenance of SPIE's real estate portfolio.
- Several subsidiaries of the Group purchase electricity from renewable sources with Guarantees of Origin.
- The percentage of renewable electricity in the Group amounted to 20% in 2021. In 2021, the building carbon footprint was identified as being 7% less than in the 2019 reference year.

In addition, the issuer appears to be aware of risk factors that affect its ability to meet SPTs (some have been highlighted as being beyond the Group's control). The most relevant risks are as follows:

- Long delays for vehicle delivery, which postpones the effect of a growing electrified fleet.
- Ensuring the rapid deployment of charging infrastructure both at SPIE sites and at employees' homes with appropriate reimbursement schemes for home charging.
- Not all fleet vehicles can be replaced with electric cars; hence SPIE are promoting the use of alternative fuel, such as biofuel for its special trucks in some business units.

SPIE leases both vehicle and buildings and has stipulated that it can be difficult and time consuming to invest in renovation projects to improve energy efficiency, which require approval by the owners. The SPIE real estate policies hence requires that for any significant lease extension or renewal, energy and carbon footprint improvements are taken into account.

Regular acquisitions have been identified as being a central part of the Group's business model. Although the technical services market in Europe has experienced some consolidation in recent years, SPIE highlights that it remains extremely fragmented, with numerous small or mid-sized firms which offers the Group significant acquisition opportunities all over the world and particularly in Germany and across all of its markets. SPIE seeks to continue to expand its market presence and widen its range of products and services, essentially through relatively small acquisitions in regions where it feels the Group can densify its network or broaden its range. A change in the Group's scope due to acquisitions has been identified as making it much more difficult to reach targets and will require recalculating the baseline if a threshold is met.

KPI 1B: SHARE OF PURCHASES IN TERMS OF GHG EMISSIONS FROM SUPPLIERS WITH CARBON REDUCTION SCIENCE-BASED TARGETS(%)

By using the share of purchases (%) in terms of GHG emissions per year from suppliers with carbon reduction Science-Based targets, the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to mitigating climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

Table 2 – Share of purchases in terms of CO_2 emissions from suppliers with carbon reduction science-based targets

KPI	REPORTED DATA	OBJECTIVES
	2021 (Baseline)	2025*
	17%	67%
Total Variation (% points) (Baseline 2021-2025)		+ 50
Average Annual Variation (% points) (Baseline 2021-2025)		+ 12.5

*Trigger event

The SPT is consistent with the Issuer's existing targets set in its Group sustainability strategy.

Based on several points of comparison, Moody's ESG Solutions considers that SPIE's target demonstrates a robust level of ambition.

The timeline, baseline and trigger event are clearly disclosed and the target allows sufficient visibility on the KPI's performance.

The SPT appears to be consistent with the issuer's existing targets set in its sustainability strategy. SPIE's sustainable purchasing policy aims to make a contribution to the Group's commitments in terms of environmental impact by 2025 where it plans to have 67% of purchases in terms of GHG emissions from suppliers with carbon reduction Science-Based targets.

Business-as-usual Trajectory Benchmark Analysis

SPIE has confirmed that the Group only started tracking historical data relating to its share of purchases from suppliers with carbon reduction science-based targets since 2021 with the official validation of its own science-based target. Mobilizing SPIE's large supplier base will require considerable progress to be made by the Group to encourage suppliers who are at the low level to advance to the next level especially given that 17% is considered as a relatively low baseline figure. As there is no historical data covering at least three years, Moody's ESG Solutions does not have sufficient information to conduct a comprehensive business-as-usual Trajectory Benchmark Analysis. As a result, this analysis has been deactivated.

Sector Peers Benchmark

The SPT demonstrates advanced level of performance compared to sector peers.

As described in the section "Selection of the KPI", SPIE's scope 3 target is qualitative rather than quantitative. Within SPIE's sector, Moody's ESG Solutions has been able to identify numerous companies which have set quantitative absolute reduction targets for their Scope 3 supply chain emissions. One example is Legrand, which commits to reducing absolute Scope 3 GHG emissions from purchased goods and services, upstream and downstream transportation and distribution and end-of-life treatment of sold products by 15% by 2030 from a 2019 base year. It is important to note however that the companies which have been identified are manufacturing companies, which SPIE has indicated as having more direct relationship with their suppliers and more negotiating power whilst also receiving data directly from their suppliers, which SPIE argues is a lot more challenging in their case, as their supplier base is made of 69 000 heterogeneous companies.

SPIE's target can also be assessed in comparison to other companies with supplier engagement targets. Dai Nippon Printing also has a SBTi validated Scope 3 supplier engagement target, and appears to have a more ambitious SPT than that of SPIE, as Dai Nippon commits that 90% of its suppliers by spend will have science-based targets by 2025. It should be noted however that there are limitations to comparing the targets of SPIE and Dai Nippon given that their operational models are very different. Caverion, Bilfinger and Bravid have been identified as three companies that have similar operations to SPIE and appear to be direct competitors of the Group making this peer comparison more relevant. It is worth noting that as of 8th October none of these identified competitor organizations appeared to have any validated Science-Based targets, whereas SPIE does.

Official International Targets and Scenarios Benchmark Analysis

The SPT demonstrates a robust level of ambition compared to sector standards.

SPIE's SPT is in line with the criteria for science-based supplier engagement targets as referenced within the Criteria and Recommendations[29] documentation of SBTi. If a company's relevant Scope 3 emissions are 40% or more of total Scope 1, 2, and 3 emissions, a Scope 3 target covering at least 2/3 of total scope 3 emissions is required. This scope 3 target can be a supplier engagement target.

Following SBTi's documentation, companies should recommend that their suppliers use the SBTi guidance and tools available to set science-based targets, however the validation of supplier science-based targets are recommended but not required, and suppliers classified as small- and medium-sized enterprises (SMEs) are recommended to submit targets through the SME streamlined route.[30] Regarding SPIE's criteria to account for suppliers with science-based targets, SPIE has clarified that they don't require specific thresholds to be met by their suppliers (e.g. well below 2°C or 1.5°C), in line with the criteria of SBTi. The Group has committed to motivating all of its suppliers to commit to the most ambitious science-based targets, however due to the duration of the engagement process and regular evolutions in international standards including SBTi, it can't impose the latest SBTi requirements from suppliers. The classification of suppliers along the medium and advanced maturity levels goes beyond SBTi requirements: the medium maturity levels appears to be in line with SBTi's criteria, with the advanced maturity level (target validated by a third party) being more stringent.

MEASURES TO ACHIEVE THE SPT

The means for achieving the SPT are disclosed, as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs. The means are considered credible.

The Group is implementing the following actions and initiatives to achieve the SPT:

- SPIE's supplier charter[31] establishes the Group's expectations vis-à-vis all of its existing (and new) suppliers in terms of reducing their carbon footprint. This charter is included in all frame contracts as well as in the subsidiaries' general purchasing conditions.
- In 2021 SPIE established a common approach to tracking suppliers' emissions reduction commitments with 3 maturity levels: low (carbon footprint calculation), medium (target set without third party validation), and advanced (target validated by third party) which allows them to engage with suppliers to identify their current maturity level and to push them to take further action if necessary.
- Using various internal and external tools to engage with suppliers and monitor their performance: letter and survey, SBTI platform, Ecovadis carbon module and other third party CSR rating agencies, like CO2 Prestatieladder in the Netherlands and Integrity Next in Germany, as well as Viaco for subcontractors.
- SPIE covers their entire supplier scope (geography, size) through an engagement approach. Internal awareness within the procurement department is ongoing, presenting the approach to buyers and giving them feedback on the pilot phase as well as advice on how to answer suppliers' questions and convince them to participate.
- Climate change is systematically discussed during annual business reviews with strategic suppliers to present SPIE's expectations about CSR assessment and carbon footprint reduction target setting and to identify suppliers' innovations and green products. SPIE encourages suppliers to provide products' carbon footprint with the aim to improve its scope 3 reporting reliability and choose products with a lower footprint.
- The meeting output is an action plan on all improvement topics for the coming year including CSR/environmental criteria.

[29] https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf
[30] Boundary: Companies may set engagement targets around relevant and credible upstream or downstream categories. Formulation: Companies shall provide information in the target language on what percentage of emissions from relevant upstream and/or downstream categories is covered by the engagement target or, if that information is not available, what percentage of annual procurement spend is covered by the target. Timeframe: Companies' engagement targets must be fulfilled within a maximum of 5 years from the date the company's target is submitted to the SBTi for an official validation.Level of ambition: The company's suppliers/customers shall have science-based emission reduction targets in line with SBTi resources.
[31] https://lib.spie.com/media/d2cb6f46-bae0-4374-b076-29425c7df17d#v=Version1&l=en&lc=1&p=0

In addition, the issuer appears to be aware of two risk factors that affect its ability to meet SPTs:

- The number and the supplier composition varies over time, as purchases vary depending on the related customer projects. SPIE has highlighted that it could meet its target if 1,500 of its largest suppliers in terms of CO2 emissions were formally engaged to reduce their own carbon footprint in a science-based manner. SPIE has also identified that its business model with rolling acquisitions can further increase this already very challenging number of suppliers to engage with.
- As a service company, SPIE is not a major client for any of its suppliers. This increases the complexity of negotiations with them; and whilst changing regulations whether at EU (ex. CSRD) or national (ex. French decree 2022-982) level should push more companies to act upon climate change, such regulatory enforcement may not have a strong effect prior to 2025.

KPI 2: SPIE'S REVENUE ALIGNED WITH EU TAXONOMY CLIMATE MITIGATION CRITERIA, AS A SHARE OF TOTAL REVENUE(%)

By using the shares of revenue aligned with EU Taxonomy (expressed as a percent), the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to mitigating climate change, thus enabling investors to make an appropriate assessment of the overall environmental performance.

KPI	REPORTED DATA			OBJECTIVES
	2019 ** (Baseline)	2020 **	2021	2025*
KPI	35%	41%	41.7%	50%
Total Variation (% points) (vs 2019 Baseline)		+6	+6.7	+15
Average Annual Variation (% points) (vs previous year in table)		+6	+0.7	+ 2

*Trigger event

**The figures for 2019 and 2020 were based on the draft delegated acts, whereas the current figures are based on the final Climate Delegated Act, adopted in 2021.

The SPT is consistent with the Issuer's existing targets set in its 2021 sustainability strategy.[32]

Based on several points of comparison, Moody's ESG Solutions considers that the SPT demonstrates a robust[33] level of ambition.

The benchmark exercise has proven to be challenging for this SPT given the recent adoption of the EU Taxonomy Regulation (2020/852) in June 2020, and publication of the Climate Delegated Act in 2021, which limits the availability of historical data, sector peers and international comparable thresholds. The EU Taxonomy is being considered by the market as a necessary tool to support companies in the transition to climate neutrality and sustainable economy. Being an early adopter by already disclosing the share of EU Taxonomy aligned economic activities, as well setting targets for this share, are clear signals of SPIE's commitment to contribute to environmental objectives through their activities.

The timeline, baseline, and trigger event are clearly disclosed and the target allows sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

The SPT represents a material improvement compared to the company's Business as Usual (BaU).

The EU Taxonomy Regulation(2020/852) was adopted in June 2020, the Climate Delegated Act published and adopted in 2021, and the Complementary Climate Delegated Act on nuclear and gas energy activities published and adopted in 2022, as such the KPI as it is currently defined only has available historical data since 2021. Before the adoption of the final Delegated Acts, the European Commission had published draft Delegated Acts, and SPIE reported on its activities aligned with the draft delegated acts in 2019 and 2020. According to SPIE, the difference between the draft and the final Delegated Acts were not material for their activities, making the data from 2019 and 2020 comparable with current data and future targets. From 2019 to 2021, the green share increased by 6.7 percentage points. From 2021 to the target year 2025, the green share will have to increase by a further 8 percentage points, an average annual increase of 2 percentage points, which represents a material improvement to BaU. Of note, SPIE reported in its Universal Registration Document of 2021 that 57.7% of its activities were EU Taxonomy eligible and 41.7% where EU Taxonomy aligned, representing 72% of EU Taxonomy eligible activities.

Sector Peers Benchmark

Article 8 of the EU Taxonomy Regulation, complementing the Non-Financial Reporting Directive (NFRD), requires all large companies to disclose EU Taxonomy aligned activities starting from 2023. SPIE is an early adopter of this regulation by already disclosing and setting targets for their green share. As such, there is currently no comparable data and no sector peers' benchmark for the defined KPI and SPT. As a result, this benchmark analysis has been deactivated. However, it is expected that information will become available in the upcoming years following the entry into force of the regulation. For the

[32] https://www.spie.com/sites/www.spie.com/files/2022-06/URD%202021%20-%20Version%20anglaise.pdf
[33] V.E scale of assessment: Weak / Limited / Robust / Advanced

avoidance of doubt, SPIE 's KPI is targeting an increase in the share of revenue that is ''aligned'' to EU Taxonomy whereas its peers only disclose the ''eligible'' share of either their revenue or expenditure. SPIE's peers including Schneider Electric[34], Eiffage[35], Bravida[36], Bouygues[37], Engie Solutions[38] all disclose their economic activities' eligibility to the EU Taxonomy but not its alignment.

Official International Targets and Scenarios Benchmark Analysis

There is no applicable sector standard or scenarios benchmark for this KPI and SPT. As a result, this benchmark analysis has been deactivated. Indeed, while the EU Taxonomy set the list of which activities can be considered as "green", there is currently no international standard or benchmark defining a minimum threshold for the share of green activities in a company.

MEASURES TO ACHIEVE THE SPT

The means for achieving the SPT are disclosed, as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs. The means are considered credible

The Group is implementing the following actions and initiatives to achieve the SPT:

- Renewable energy: SPIE offers tailored services to support clients on the unique characteristics of each renewable project based on the high level of multi-technical expertise linked to a local organization that guarantees project setup and monitoring in terms of regulatory, administrative, technical/operational and financial aspects.
- Electricity Transmission & Distribution: Deployment: from production to the customer via a high, medium or low voltage overhead or underground systems. Maintenance that ensures preventive inspection of equipment through the innovative use of surveillance drones and carrying out routine maintenance operations. Optimization of network management solutions (smart grids) and energy performance monitoring (setting up indicators). Ensuring regeneration in the event of any natural disaster, rapid intervention by SPIE teams to restore damaged networks.
- Energy Management Services: The stringent building energy efficiency directives/national regulation coming into force in the EU will facilitate the growth in revenue.

In addition, the issuer appears to be aware of three risk factors that affect its ability to meet SPTs.

- Recruitment and retention of talent: Challenges in recruiting highly qualified technical profiles to implement a growing number of contracts. Training of operational employees about the EU Taxonomy alignment criteria to ensure their proactive pursuit of contracts with existing and new customers.
- Regulatory: European, national and international policies supporting energy savings and renewable energy (e.g. regulations on the energy efficiency of buildings and quotas and tax incentives for renewable energy sources).
- Corporate awareness of environmental issues: Slower pace of growth in light of the cost-reduction policies of public and private actors.

[34] https://www.se.com/ww/en/assets/564/document/319364/2021-universal-registration-document.pdf
[35] https://www.eiffage.com/files/live/sites/eiffagev2/files/Finance/Rapport%20Annuel/Anglais/EIFFAGE_URD2021_VA.pdf
[36] https://www.bravida.se/globalassets/9.-investors/financial-reports/english-reports/2021/bravida-annual-and-sustainability-report-2021-en.pdf
[37] https://www.bouygues.com/interactive_2021_URD_en/catalogues/en/common/data/Bouygues_URD_2021_en_access.pdf
[38] https://www.engie-solutions.com/sites/default/files/assets/2020-09/RA_RSE_ENGIEsolutions_150920-EN-pp.pdf

KPI 3: SHARE OF WOMEN IN KEY MANAGEMENT POSITIONS (%)

By using the share of women in key management positions (expressed as a percentage), the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to promoting gender equality, thus enabling investors to make an appropriate assessment of the overall social performance.

Table 3 – Share of women in key management positions (%)

	REPORTED DATA		OBJECTIVE
KPI	2020 (Baseline)	2021	2025*
	16%	18%	20%
Total Variation (% points) (Baseline to 2025)	+ 4 pp		
Total variation (%) (Baseline to 2025)	+ 25%		
Average Annual Variation (% points)	2 pp		
		0.5 pp	

*Trigger event

The SPT consistent with the Issuer's existing targets set in its sustainability strategy. The SPT in the Framework is the same one included in SPIE's annual reporting, including its 2021 URD.[39]

Based on several points of comparison, Moody's ESG Solutions considers that the SPT demonstrates an advanced level of ambition.

The timeline, baseline, and trigger event are clearly disclosed. The target Issuer allows sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

SPIE has confirmed that the Group only started tracking historical data relating to the share of women in key management positions in 2020, as 2020 is the year in which the Group completed the Willis Towers Watson Global Grading System (GGS) assessment to categorize its job positions by seniority according to this external benchmark. Therefore, prior data is not comparable.

Based on the one year of data available, from 2020 to 2021, the Group managed to increase the proportion of women in management positions by 2 percentage points in just one year. Compared to this, the future trajectory to reach the stated goal requires only a further 0.5 percentage point increase per year from 2021 to 2025, a marked slowdown. The Issuer notes that a recently completed major acquisition is expected to bring down the 2022 percentage figure compared to 2021, requiring a process of catch-up to reach the 2025 objective.

As there is no historical data covering at least three years, Moody's ESG Solutions does not have sufficient information to conduct a comprehensive business-as-usual Trajectory Benchmark Analysis. As a result, this analysis has been deactivated.

Sector Peers Benchmark

The SPT demonstrates an advanced level of performance compared to sector peers.

The transparency required by the "Loi Rixain" (see below) for French peers facilitates a benchmark analysis. The proportion of top 100 management that is female, which stood at 16% for SPIE in 2020, was 11% for Eiffage, a civil engineering company,

[39] https://www.spie.com/sites/www.spie.com/files/2022-06/URD%202021%20-%20Version%20anglaise.pdf

19% for Bouygues, a construction firm, and 8% for Vinci, another French construction firm.[40] Vinci has set a goal of increasing the share of women promoted or hired into management to 28%, and increasing the overall share of women on management committees to 17% by 2023, an improvement to its past performance but still less ambitious than SPIE's goal.[41] Bouygues has set a goal to reach 20% of female managers by 2023[42], a similar goal to that of SPIE but on a slightly quicker timeline.

Across Europe, the Industrial Goods & Services sector is generally one with relatively low female representation. Across 113 companies in the sector surveyed as part of the European Women on Boards Gender Diversity Index, companies in this sector had an average of 15% of women at the executive level in 2020, the lowest of the seven sectors examined.[43] SPIE is thus slightly above the sectoral average, and aims to be further above it through its goals.

SPIE's performance and goals are comparable to, and thus place the firm among, the top performers in the Industrial Goods and Services sector according to Moody's ESG Solutions. Valmet, a Finnish engineering company, has 17.6% female managers, and a goal to increase the proportion of women in science, technology, and engineering positions from 11.5% to 12% company-wide.[44] Kion Group, a German manufacturing and industrial services firm, set itself a goal to achieve 10% of top management (a group of 17 people) and 30% of second-tier management (99 people) by the end of 2021, but failed to reach this due to an insufficient number of women at lower ranks within the company rising up, as well as qualified woman candidates for positions filled through external hiring.[45] The firm has set itself a new goal of 10.5% for the first tier of management, and 28.2% for the second tier, by the end of 2026. Wärtsilä, a Finnish engineering company in the energy and marine sector, had 15.3% of all management positions filled by women in 2020, with a target to reach 20%; top management was excluded from this target as this already was made up of 19.4% women in 2020.[46]

Official International Targets and Scenarios Benchmark Analysis

The SPTs demonstrate an advanced level of ambition compared to sector standards.

In France, the "Loi Rixain", a law on economic and professional gender equality, was introduced in December 2021, which SPIE is subject to as a French company. The law imposes quotas for the representation of women in leadership positions of all large corporations (> 1,000 employees) and established targets for the share of women in management positions of 30% by March 2026 and 40% by March 2029.[47] In case of non-achievement of this target in 2026, affected firms must define adequate corrective measures; in case of non-achievement in 2029, the firm has two more years to comply, after which financial penalties apply, up to a maximum of 1% of total compensation.[48] With these specific and ambitious targets and accompanying enforcement mechanisms, the "Loi Rixain" can be considered to be among the most stringent guidelines there are for the promotion of gender equality.

As the Loi Rixain targets are defined within French employment law, they apply only to employees in France. According to the Issuer, it is on track to comply with Loi Rixain requirements for its French employees.

The Issuer reports that a large share of its workforce outside of France is based in the UK, Netherlands, and Germany. The UK has no law on gender quotas on boards or among management, with only soft, voluntary targets[49]; Germany's 2021 law affects supervisory boards only and mandates them to have at least one woman (with a 30% quota only in federally owned companies)[50]; and the Netherlands set a binding minimum quota of one third of women on boards of Dutch-listed companies, and requires large Dutch companies to set "appropriate and ambitious" targets for women in senior management, without specifying a figure[51].

Moody's ESG Solutions notes that SPIE's target goes beyond UK and German rules and is at least in line with French and Dutch ones. On the French Loi Rixain, we note that compliance with the law already constitutes a high standard of achievement due to its stringency, and that many other French companies in its sector seem to not be on track to meet these targets.

Although SPIE's overall corporate target is lower than the France-specific Loi Rixain target (20% by 2025 compared to 30% by 2026), it is notable that SPIE has decided to set this target at Group level, thus covering all its 270 key managers globally, including the majority that do not fall directly under the Loi Rixain.

MEASURES TO ACHIEVE THE SPT

[40] https://www.egalite-femmes-hommes.gouv.fr/wp-content/uploads/2021/10/6.-Annexe-5_Details_Palmares_2020.pdf
[41] https://www.vinci.com/vinci.nsf/en/item/being-a-responsible-employer.htm#:~:text=Promoting%20gender%20equality,management%20committees%20to%20nearly%2017%25.
[42] https://www.bouygues.com/en/publications-at-a-glance/magazine/five-women-on-the-path-to-gender-equality/
[43] https://europeanwomenonboards.eu/wp-content/uploads/2021/01/Gender-Equality-Index-Final-report-2020-210120.pdf
[44] https://www.valmet.com/about-us/careers/working-with-us/diversity-and-inclusion/
[45] https://reports.kiongroup.com/2021/ar/servicepages/downloads/files/entire-kiongroup-ar21.pdf
[46] https://www.wartsila.com/sustainability/managing-sustainability/personnel
[47] https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/la-loi-rixain-accelerer-la-participation-des-femmes-a-la-vie-economique-et
[48] Ibid.
[49] https://www.city.ac.uk/news-and-events/news/2020/07/enforcing-gender-quotas-increases-boardroom-diversity-and-quality
[50] https://www.loc.gov/item/global-legal-monitor/2021-09-12/germany-second-law-establishing-gender-quotas-to-increase-number-of-women-in-company-leadership-positions-enters-into-force/
[51] https://www.dentons.com/en/insights/alerts/2021/december/9/new-dutch-law-mandates-greater-gender-balance-on-management-and-supervisory-boards

The means for achieving the SPT are disclosed, as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs. The means are considered credible.

The Group is undertaking a number of actions and initiatives to achieve the SPT relating to engagement, recruitment, and talent retention.

On engagement:

- SPIE has set and sought to clearly communicate its objective, internally and externally: the proportion of women in key management positions is targeted to increase by 25% by 2025 compared to 2020 to reach 20% of the total.
- The objective has been included in the Group's long-term incentive plan (LTIP)
- Implementation of a "He for She" campaign to engage men.
- Corporate sponsorship and support of the So'SPIE Ladies network, an internal network for female employees

On recruitment:

- The Group has asked recruitment agencies to include at least one shortlisted woman for any key managerial positions (grade 15 or above)
- Conducting targeted outreach toward women, including on campuses (job fairs for women, women's networks)
- Attending schools and university career days and organising Girls' day to encourage girls to choose technical studies

On talent retention:

- The Group has a dedicated focus on women managers in its talent review
- Focus on women's mentoring and leadership development programmes
- Internally rolling out unconscious bias trainings

SPIE has also recognised two risks that may impact its ability to reach the SPT, namely:

1. Any significant external growth through acquisition, where the acquired company has a pre-existing low proportion of women across its key managerial positions
2. The global female managerial talent pool for the industrial services sector is narrow to begin with, and finding candidates with suitable experience can be difficult

BEST PRACTICES

⇒ The SPT of KPI 1a demonstrates an overall advanced level of ambition.

⇒ The timeline, baseline and trigger events are clearly disclosed

⇒ The means for achieving the SPTs are disclosed as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs.

Bond Characteristics

Not Aligned	Partially Aligned	Aligned	Best Practices*

The potential variation of the instruments' financial and/or structural characteristics depending on whether the selected KPIs would reach (or not) the predefined SPTs is clearly defined in the Framework, and will be disclosed to investors in the debt documentation.

SPIE Group confirms that the Instruments issued under this Framework will be subject to variations in their structural and/or financial characteristics depending on the achievement of the defined trigger events. The exact mechanism and impacts will be detailed for each instrument in the corresponding debt documentation (i.e. final terms). Of note, the Framework includes several examples of potential variations in the financial characteristics, and no examples of variations of the structural characteristics: a coupon/margin step-up, the payment of a premium at maturity of the instrument or a margin adjustment depending on the nature of the instrument.

If the SPT is not met at the target observation date (i.e. the date on which the relevant target should be achieved), it will trigger a coupon step up, premium payment at maturity of the instrument, or a margin adjustment, depending on the nature of the instrument.

The Issuer has committed that in case of a failure to comply with the reporting and verification commitments it has set out, or if the Issuer is unable to calculate or observe a KPI in a satisfactory manner, the defined structural and/or financial characteristics of the relevant instrument(s) will take effect as if the SPT was not met at the trigger event.

For the avoidance of doubt, the Issuer reports that the relevant final terms of a given bond issue will specify the KPI(s), SPT(s), and trigger date(s) applicable to that specific issue: the documentation may specify one, or more than one, KPI or SPT and more than one target observation date. The Issuer commits to always use KPI 1a in conjunction with KPI 1b for any future instrument, but reports that it may also use KPI 1b on a stand-alone basis.

The meaningfulness of the variation of the SLB's structural and/or financial characteristics of the bond cannot be assessed due to lack of details of financial implications at the framework level and lack of comparison data.

*Moody's ESG Solutions considers that, as of today, there is insufficient information and market precedent to appropriately assess the potential best practices regarding the bond characteristics' variation. In this sense, the "Aligned" level is currently considered to be the highest level to be achieved by the Issuer on this pillar.

Reporting

Not Aligned	Partially Aligned	Aligned	Best Practices

KPI 1A: ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS (TCO2E)

KPI 1B: SHARE OF PURCHASES IN TERMS OF GHG EMISSIONS FROM SUPPLIERS WITH CARBON REDUCTION SCIENCE-BASED TARGETS

KPI 2: REVENUE ALIGNED WITH EU TAXONOMY CLIMATE MITIGATION CRITERIA, AS A SHARE OF TOTAL REVENUES

KPI 3: SHARE OF WOMEN IN KEY MANAGEMENT POSITIONS (%)

Reporting Accessibility And Frequency

The Issuer has committed to disclose all relevant information in the annual Universal Registration Document. The reporting will be published annually and for any material changes, for the whole period that is relevant for assessing the SPTs and related trigger event.

Reporting scope and granularity

The intended scope and granularity of the reporting is clear, and covers all the required elements:

- Information on the performance and monitoring of the selected KPIs
- Any relevant information enabling investors to monitor the progress of the SPT
- When relevant, information may also include any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope
- Related impact on the bond financial and/or structural characteristics at the trigger event

Reporting Process, Monitoring And Control

The selected KPIs' related data are covered by an internal and external verification, as part of the audit of the URD.

BEST PRACTICES

⇒ The reporting on the KPIs will be published annually until maturity of the bond

⇒ KPI data undergoes both internal and external verification

Verification

Not Aligned	Partially Aligned	Aligned	Best Practices

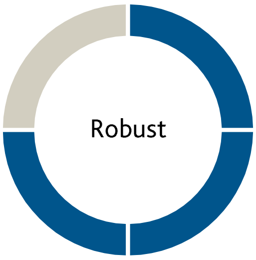
The performance of each KPI against each SPT will be covered by an external verification, on an annual basis and in case of material changes impacting the SLB's financial and/or structural characteristics (such as a trigger event), until the maturity of the Bond.

The verification assurance report will be publicly available.

At Target Observation Date, an independent external auditor will provide a verification assurance report outlining SPIE KPIs' performance against the predefined SPT. As the KPIs are part of SPIE's annual reporting in the URD, which is subject to a verification assurance, KPI performance will be verified until maturity of the Instrument and the verification will be publicly available.

BEST PRACTICES
⇒ Verification will be conducted until maturity of the bond.

ISSUER



SPIE is an independent European pure-player in multi-technical services in the areas of energy and communications. SPIE relies on four business lines, at the crossroads of energy and digital challenges: Mechanical and Electrical Services, Information & communications technology services, technical facility management and transmission & distribution.

Level ESG Performance

The Issuer ESG performance was assessed through a complete process of rating and benchmarking.

As of July 2021, SPIE displays a Robust ESG performance (54/100) ranking 2nd in our Industrial Goods & Services sector, which covers 51 companies. The company is Robust in the Environmental and Social pillar and Limited in the Governance pillar.

DOMAIN	COMMENTS	OPINION
Environmental	SPIE's performance in the Environmental pillar is considered Robust. SPIE is a signatory of the Global Compact and communicates on this principle and commits to all of its responsibilities in terms of environmental protection. This commitment applies throughout the company and is supported by senior management with a dedicated structure responsible for this issue. SPIE has a CSR Committee, composed of members of the Executive Committees of subsidiaries and two members of the Group's Executive Committee. Within this CSR Committee an environment working group has been established which is composed of internal experts. The Group appears to have also allocated comprehensive resources to environmental management with these measures being assigned within the framework of ISO 14001 certifications. SPIE commits to optimise its production processes, to reduce its own energy consumption and/or its related emissions. Carbon accounting mechanisms are performed through three steps which include the inventory of all the physical sources of emission, their quantification, and conversion of the measures in emissions through emission factors. Monitoring of energy consumption includes upgrading buildings to achieve better energy performance. The renovation of Group headquarters and that of two subsidiaries have already been conducted which complements the use of low-consumption electric vehicles which are also part of SPIE's strategy to reduce emissions. The company has launched campaigns to raise awareness about the establishment or development of best practices through its intranet platform, internal and external publications, and meetings to discuss eco-friendly driving and eco-friendly behaviour in the office. The company has taken such measures at a majority of the company's sites.	Advanced Robust Limited Weak

Social	SPIE's performance in the Social pillar is considered Robust. The company has established a European Works Council and another representative consultative body covering the whole company. In countries with restrictive legislation, the company informs employees through alternative employee representative bodies. The company states that in the United Kingdom, it has implemented an "Employees Consultative Committee" in order to promote social dialogue. In addition, the company's Works Council has employee representatives from all European countries where it has operations, including Poland and Hungary. The Group has issued a formal commitment to promote career management and training in its Agreement on Forward-looking Management of Jobs and Skills (Accord GPEC). However, the company's commitment to promoting career management and training only addresses part of its responsibilities The company has made a formalised commitment to health and safety issues, and has set up quantitative targets in this regard. The commitment applies throughout the company, supported by senior management. In addition, employee representatives are involved at group level. The company has established a QHSE (Quality, Health, Safety, Environment) network of employees assigned to manage health and safety questions covering the entire Group, who are directed by a team dedicated to sustainable development. The company has issued a formalised commitment to non-discrimination in its Diversity Charter and is also a signatory of the Global Compact and communicates on this principle. The share of women in management positions has increased (but not continuously) by 2.5 percentage points over the past five years, from 14% in 2016 to 16.5% in 2020.	Advanced Robust Limited Weak
Governance	SPIE's performance in the Governance pillar is considered Limited. SPIE has a CSR committee that is part of the Board. The company's CSR and Governance Committee, which is composed of four non-executive directors and one employee representative, assists the Board in Governance and CSR topics. The performance of the Board is evaluated regularly, with disclosure on the results. Operational and CSR risks are covered by the company's internal controls system which covers the standard issues related to financial, operational, and legal risks. In addition the system covers most of the CSR risks inherent to the company's business operations including: - Supply chain management: The company recognises the risks of suppliers not complying with applicable labour and immigration laws. - Climate change: The Group identifies the risk related to climate change mitigation and states that it strives to reduce its own carbon footprint with a particular focus on its buildings and vehicle fleet. - Health & safety: The Group is exposed to risks of accident of its employees, notably those working in the Oil & Gas and Nuclear activities who are particularly exposed to risks relating to their work site and working conditions. - Business ethics: The company identifies the risks related to corruption and ethics. Disclosure of individual executive remuneration data for senior executives is insufficient and the company only discloses the compensation of the CEO.	Advanced Robust Limited Weak

Management of ESG Controversies

As of 11th October 2022, the review conducted by Moody's ESG Solutions did not reveal any ESG controversy against SPIE over the last four years.

Involvement in Controversial Activities

The Issuer/Borrower appears to be involved in 2 of the 17 controversial activities screened under our methodology, namely:

- **Military** (major involvement): SPIE has an estimated turnover from military sales which is below 5% of total turnover. This turnover is derived from providing an array of military services. For example: through its shipbuilding & repair department (now Industrie & Tertiaire), the Group has offered turnkey services for military vessels, such as project management, design and implementation of electrical installations, manufacture of navalised electric switchboards, piping, HVAC, commissioning and test operations.
- **Nuclear power** (minor involvement): SPIE has an estimated turnover from nuclear related activities which is below 5% of total turnover. There is evidence that SPIE is involved in the provision of controversial weapons or related key parts or services which includes a nuclear weapons delivery platform and key parts or services.

The Issuer appears to be not involved in any of the other 15 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of Concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High-interest rate lending, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Moody's ESG Solutions.

METHODOLOGY

In Moody's ESG Solutions' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Moody's ESG Solutions provides an opinion on the Issuer's ESG performance as an organization, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

Framework

Alignment with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework/Bond has been evaluated by Moody's ESG Solutions according to the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles – March 2022 ("SLLP") and the ICMA's Sustainability-Linked Bond Principles - June 2020 ("SLBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Selection of Key Performance Indicators (KPIs)

KPI's materiality and coherence with the Issuer's overall sustainability strategy and with the Issuer sector's main sustainability challenges. KPI's measurability and clarity, internal and external control over the KPI's data, exhaustiveness of the KPI's coverage.

Calibration of Sustainability Performance Targets (SPTs)

Coherence of the SPTs with the overall sustainability strategy, ambition of the SPTs (compared the Issuer's own performance, sector peers and relevant international standards), trigger events' disclosure, disclosure and credibility of the means for achievement (including scope and geographical coverage of the means).

Bond Characteristics

Disclosure of the bond/loan characteristics' variation, the meaningfulness of these variations (for alignment with SLBP only).

Reporting

Reporting process formalization and verification, data's accessibility.

Verification

Verification of the performance against the SPTs and disclosure of the assurance reports.

Issuer

Issuer's ESG performance

Scale of assessment of ESG performance: Weak, Limited, Robust, Advanced

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by Moody's ESG Solutions.

The Issuers ESG performance has been assessed by Moody's ESG Solutions on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedback and controversies.

Management of Stakeholder-Related ESG Controversies

Moody's ESG Solutions defines a controversy as public information or contradictory opinions from reliable[52] sources that incriminate or make allegations against an Issuer regarding how it handles ESG issues as defined in our ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

Moody's ESG Solutions reviewed the information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

Moody's ESG Solutions provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the Issuer, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the Issuer (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the Issuer for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on an Issuer's reputation reduces with time, depending on the severity of the event and the Issuer's responsiveness to this event. Conventionally, our controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in Controversial Activities

17 controversial activities have been analyzed following 30 parameters to screen the Issuer's involvement in any of them. The Issuer's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the Issuer.

[52] 'Reliable' means that there are sufficient details to substantiate claims made, with due attention paid to the political dimension of news and the danger of misinformation. Moody's ESG Solutions draws on investigative journalism, the business press, NGO and trade union reports which focus on corporate behavior relating to ESG issues. It is neither possible nor advisable to create a prescriptive fixed list of sources as new, valid sources arise all the time and it is necessary to investigate these as and when they are retrieved in order to comprehensively cover evolving issues and media.

Moody's ESG Solutions' Assessment Scales

Scale of assessment of the Issuer's ESG performance, the KPI(s) materiality and the associated SPT(s) ambition.	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective.
	The selected KPI(s) reflects the most material issues for the Issuer's core sustainability and business strategy and address the most relevant environmental, social and/or governance challenges of the industry sector.
	An advanced ambition is achieved when the SPT(s) can demonstrate the following: (i) alignment with the 2D scenario/recognized sector standards (when available) (ii) a top performance in comparison to sector peers, and (iii) an improvement of the company's performance.
Robust	Convincing commitment; significant and consistent evidence of command over the issues.
	The selected KPI(s) reflects material issues for the Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector.
	A robust ambition is achieved when the SPT(s) can demonstrate at least two out of three of the following items: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues.
	The selected KPI(s) does not appropriately reflect material issues for the Issuer's core sustainability and business strategy and partially address relevant environmental, social and/or governance challenges of the industry sector.
	A limited ambition is achieved when the SPT(s) can demonstrate only one out of three of the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues.
	The selected KPI(s) does not reflect material issues for the Issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges of the industry sector.
	A weak ambition is achieved when the SPT(s) (i) is not aligned the 2D scenario/recognized sector standards (ii) is below the average performance of its sector peers, and (iii) shows a negative trend in the company's performance.

Scale of assessment of financial instrument's alignment with Sustainability-Linked Bond and Loan Principles	
Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles by adopting recommended and best practices.
Aligned	The Instrument has adopted all the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles.
Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles, but not all of them.
Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles.

STATEMENT ON MOODY'S ESG SOLUTIONS' INDEPENDENCE AND CONFLICT-OF-INTEREST POLICY

Transparency on the relation between MOODY'S ESG and the Issuer: MOODY'S ESG has not carried out any audit mission or consultancy activity for SPIE. No established relation (financial or commercial) exists between MOODY'S ESG and SPIE. Independence, transparency, quality and integrity requirements are all formalised within our Moody's Code of Conduct.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Instruments, based on the information which has been made available to MOODY'S ESG. MOODY'S ESG has not performed an on-site audit nor other tests to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by MOODY'S ESG neither focuses on the financial performance of the Instruments, nor on the effective allocation of its proceeds. MOODY'S ESG is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of MOODY'S ESG. MOODY'S ESG grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned issuance. The Issuer acknowledges and agrees that MOODY'S ESG reserves the right to publish the final version of the Second Party Opinion on MOODY'S ESG's website and on MOODY'S ESG's internal and external communication supporting documents.