

Second-Party Opinion

Atos Sustainability Linked Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the Atos Sustainability Linked Financing Framework aligns with the Sustainability-Linked Bond Principles 2020. This assessment is based on the following:

- **Selection of Key Performance Indicators (KPIs)** Atos Sustainability Linked Financing Framework includes 1 KPI: Scope 1, 2 and 3 GHG emissions (see Table 1). Sustainalytics considers the KPI chosen to be very strong based on its scope and applicability, and the clear and consistent definitions.
- **Calibration of Sustainability Performance Targets (SPTs)** Sustainalytics considers the SPT to be aligned with the Issuer's sustainability strategy. Sustainalytics further considers the SPT to be highly ambitious based on the Issuer's historical performance, performance against peers and external contextual benchmarks.
- **Bond Characteristics** Atos will link the bond's financial/structural characteristics to the achievement of the SPT, namely a premium payment amount or step-up margin amount. If Atos achieves the SPT, there will be no impact on the coupon rate.
- **Reporting** Atos commits to report on an annual basis on its performance on the KPI in its Universal Registration Document as well as its website. Atos commits to disclose relevant information that affect the KPI performance, such as any significant structural changes. The reporting commitments are aligned with the SLBP.
- **Verification** Atos commits to have external limited assurance conducted on its KPI performance at the communicated SPT deadline, which is aligned with market expectations.

Evaluation Date	October 22, 2021
Issuer Location	Paris, France

The SPT contributes to the following SDGs:



Overview of KPIs and SPTs

KPI	Baseline	SPT	Strength of the KPI	Ambitiousness of SPT
Scope 1, 2 and 3 GHG emissions	2019	Reduce absolute Scope 1, 2 and 3 GHG emissions by 50% from 2019 levels by 2025	Very Strong	Highly Ambitious

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Scope of Work and Limitations

Atos ("Atos", the "Company", or the "Issuer") has engaged Sustainalytics to review the SLB Framework and provide an opinion on the alignment of the notes with the Sustainability-Linked Bond Principles (2020).¹

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent² opinion on the alignment of the reviewed SLB Framework with the Sustainability-Linked Bond Principles (SLBP), as administered by ICMA.

As part of this engagement, Sustainalytics exchanges information with various members of Atos's management team to understand the sustainability impact of their business processes and SPT, as well as reporting and verification processes of aspects of the Atos Sustainability-Linked Financing Framework. Atos's representatives have confirmed that:

- (1) They understand it is the sole responsibility of issuer to ensure that the information provided is complete, accurate or up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the Atos Sustainability-Linked Financing Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Atos. Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Atos Sustainability-Linked Financing Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs of KPIs but does not measure the KPIs' performance. The measurement and reporting of the KPIs is the responsibility of the Bond issuer. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favor or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Atos has made available to Sustainalytics for the purpose of this Second-Party Opinion.

The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written and aligned with the methodology to calculate the KPI performance outlined in the Second-Party Opinion up to 24 months or until one of the following occurs:

- (1) A material change to the external benchmarks³ against which targets were set;
- (2) A material corporate action (such as material M&A or change in business activity) which has a bearing on the achievement of the SLBs or the materiality of the KPI.

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¹ The Sustainability-Linked Bond Principles (SLBP) were launched by ICMA in June 2020. They are administered by the ICMA and are available at: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf>

² When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

³ Benchmarks refers to science based benchmarks

Introduction

Atos is a France-based digital transformation company specialized in solutions related to cloud, big data and analytics, cybersecurity, high-performance computing, business applications, digital workplace, automation and Internet of things (IoT). The Company employs approximately 107,000 staff and operates in 71 countries. Atos provides managed services, consulting and systems integration, and security across the manufacturing, healthcare and life sciences, retail and transportation, public sector and defense, telecom, data and analytics, media and utilities, and financial services and insurance markets.

Under the Atos Sustainability-Linked Financing Framework (the “Framework”), Atos intends to issue Sustainability-Linked Bonds (SLBs) where the coupon rate of the bond is tied to the achievement of the Sustainability Performance Target (SPT) for one KPI related to the absolute reduction of Scope 1, 2 and 3 GHG emissions.

Atos has engaged Sustainalytics to review the SLB Framework and provide an opinion on the alignment of the Framework with the SLBP.

The KPI and SPT used by Atos are defined in Tables 1 and 2 below.

Table 1: KPI Definition

KPI	Definition
Scope 1, 2 and 3 GHG emissions	<p>Company-wide absolute GHG emissions (tCO₂e) covering all scope 1, 2 and 3 emissions in Atos' GHG inventory, calculated in line with the GHG Protocol.</p> <p>The GHG emissions inventory covers all GHG emissions from all relevant sources and subsidiaries, with a distinction of GHG Scope 3 emissions in Part A and Part B⁴:</p> <ul style="list-style-type: none"> “Carbon Operational Perimeter”⁵ (Scope 1, 2 and 3a) – including all emission sources under direct control and direct influence from energy consumption (fossil fuels, electricity) and employees business travel. “All Other Emissions Perimeter”⁶ (Scope 3b) – including all scope 3 emissions not included in scope 3a.

Table 2: SPT and Past Performance

KPI	2019 (baseline)	2020	SPT 2025
Scope 1, 2 and 3 GHG emissions (tCO ₂ e)	3.3 MtCO ₂ e	2.8 MtCO ₂ e	Reduce absolute Scope 1, 2 and 3 GHG emissions by 50% from 2019 levels by 2025

⁴ Atos' Scope 3 has been regrouped into two parts for operational and monitoring purposes.

⁵ Atos’ “Carbon Operational Perimeter” regroups all CO₂e emissions linked to business travel and energy consumption in Atos’ offices and data centers. In 2020, Scope 1 represented around 8% of the total “carbon operational perimeter”, Scope 2 around 34% and Scope 3-part A around 58%. In terms of business activities, the data centers represented around 54%, the offices 32% and business travel 14%.

⁶ Atos’ “All Other Emissions Perimeter” regroups all other GHG Scope 3 CO₂e emissions that are not under Atos’ influence and nor included above in Atos’ “Carbon Operational Perimeter”.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of Atos Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles

Sustainalytics is of the opinion that the Sustainability-Linked Bond Framework aligns with the five core components of the Sustainability-Linked Bond Principles 2020 (SLBP).



Selection of Key Performance Indicators (KPIs)

Relevance and Materiality of KPIs

Sustainalytics in its assessment of materiality and relevance considers i) whether an indicator speaks to a material impact of the issuer business on environment or social issues, and ii) to what portion of impact the KPI is applicable.

Sustainalytics considers the KPI, Scope 1, 2 and 3 GHG emissions, to be material and relevant based on the following:

- i. Sustainalytics' ESG Risk Rating identifies "Carbon – Own Operations"⁷ as a material ESG issue (MEI) for companies in the "Software & Services" industry. The rapid expansion of data center infrastructure – driven by the exponential growth in Software as a service (SaaS) and connected devices – increases regulatory risks related to companies' carbon footprint.
- ii. Sustainalytics considers this a direct KPI as it directly measures GHG emissions related to the energy sources associated with Atos' offices, data centers, business travel and fuel and electricity consumption.
- iii. The Sustainability Accounting Standards Board (SASB)⁸ identifies energy consumption and efficiency as relevant accounting metrics to track and disclose within the Software & IT Services⁹ industry based on the continuous amounts of energy associated with IT hardware infrastructure and operations.

In terms of applicability, Sustainalytics notes that the KPI covers Scope 1, 2 and 3 emissions - demonstrating that Atos is addressing all sources of GHG emissions. The Company makes a distinction of Scope 3 GHG emissions in two parts (A and B), with Scope 1, 2 and 3a representing 7.3% of Atos' total emissions compared to 92.6% for Scope 3b for the base year of 2019.¹⁰ Sustainalytics positively notes: (i) the inclusion of Scope 3 emissions in the KPI and (ii) that Scope 1 and 2 emissions targets from company operations have been validated under the Science Based Targets initiative (SBTi).

KPI Characteristics

Sustainalytics in its assessment of the KPI characteristics considers i) whether a clear and consistent methodology is used, ii) whether the issuer follows an externally recognized definition, iii) whether the KPI is a

⁷ Sustainalytics' "Carbon – Own Operations" MEI refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of Scope 3 emissions, such as transport and logistics. It does not include emissions in the supply chain or during the use phase/end-of-life cycle of a product.

⁸ The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. The SASB Foundation's mission is to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. SASB Standards identify the subset of environmental, social, and governance issues most relevant to financial performance in each of 77 industries.

⁹ SASB, Software & IT Services Sustainability Accounting Standard, 2018, at: <https://www.sasb.org/standards/download/>

¹⁰ Most information and communication technologies companies (ICTs) have significant value chain (Scope 3) emissions, at: <https://www.itu.int/en/action/environment-and-climate-change/Documents/20200227-Guidance-ICT-companies-report.PDF>

direct measure of the performance of the issuer on the material environmental or social issue, and iv) if applicable, whether the methodology can be benchmarked to an external contextual benchmark.¹¹

Sustainalytics considers Atos' definition and methodology to calculate its Scope 1, 2 and 3 GHG emissions to be clear and consistent based on the transparency around reporting GHG emissions. The KPI is calculated in accordance with an external recognized methodology, the GHG Protocol,¹² which is commonly used in the industry as a global standard and can be benchmarked against external science-based trajectories. The Company applies a consolidation approach, whereby it collects data based on an operational control across sites to calculate GHG emissions that reflect emission factors in the countries and regions in which it operates.

Overall Assessment

Sustainalytics overall considers the KPI, Scope 1, 2, 3 GHG emissions (tCO₂e), to be Very Strong given that: (i) it measures performance on a relevant and material ESG issue for the Company, (ii) it directly measures its operational carbon performance, (iii) the calculation methodology is aligned with the GHG Protocol, and therefore, (iv) supports benchmarking against external emission reduction trajectories.

Scope 1, 2 and 3 GHG emissions (tCO ₂ e)	Not Aligned	Adequate	Strong	Very Strong
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Calibration of Sustainability Performance Targets (SPTs)

Alignment with Issuer's Sustainability Strategy

Atos has set the following SPT for its KPI:

- Reduce absolute Scope 1, 2 and 3 GHG emissions by 50% from 2019 levels by 2025

Sustainalytics considers the SPT to be aligned with Atos' sustainability strategy (please refer to Section 2 for analysis of the credibility of Atos's sustainability strategy).

Atos has put in place a reporting process externally verified for Scope 1, 2 and 3a emissions since 2008.¹³ The Company started to offset carbon emissions for its data centers in 2014 and had its carbon intensity target validated by SBTi in 2017 – demonstrating commitment to measure and mitigate its climate change impact (please refer to section 3 for further analysis).

Additionally, Atos has established targets to address all GHG emissions, of which those covering Scope 1 and 2 emissions were validated by the SBTi in 2020. In 2021, as part of its Net-Zero 2028 ambition, the Company expanded its decarbonization program to the entire Scope 3 supply chain. Overall, this is in line with Atos' broader sustainability goals.

Strategy to Achieve the SPT

Atos intends to achieve the SPT through the following strategy:

- **Carbon reduction activities within Atos' supply chain, including:** ongoing work with the Company's existing suppliers and negotiation of specific progress plans; new supplier selection criteria include an increased weight of CSR risk and environmental topics; a reinforcement of the energy consumption and CO₂ emissions as key purchasing criteria for goods and services; the inclusion of the cost of energy and of the Internal Carbon Price into business cases and Total Cost of Ownership (TCO) calculation; ongoing improvements regarding actionable KPIs (e.g., data from life cycle assessments).

¹¹ External contextual benchmarks provide guidance on the alignment with ecological system boundaries. This criterion is not applied to social KPIs or impact areas for which such contextual benchmarks are not available.

¹² The Greenhouse Gas Protocol, "Corporate Standard", at: <https://ghgprotocol.org/corporate-standard>

¹³ Atos, "Registration Document" (2018), at: <https://atos.net/wp-content/uploads/2019/04/atos-2018-registration-document.pdf>

- **Energy consumption, including:**
 - Renewable and decarbonized energy: in 2020, around 55% of the electricity consumed by Atos worldwide came from decarbonized sources. The goal is to tend towards 100% of renewable and decarbonized electricity to support the Group's 1.5°C Science Based Targets.
 - Energy optimization in the offices: since 2014, a global consolidation and optimization program has been underway in the offices. In 2020, this program saved the equivalent of around 10% of the real estate expenditure.
 - Energy optimization in the data centers: to increase the energy efficiency of data centers.
- **To limit the environmental footprint linked to travel,** Atos implemented a range of initiatives, which comprises:
 - Action plans to maximize the number of electric vehicles
 - Global and local policies or instructions to limit travel or to favor less polluting and less greenhouse gas emitting means of transportation
 - New ways of working, including the use of remote digital collaboration tools to enable employees to reduce their environmental footprint and gain flexibility
- **In the field of decarbonized digital solutions** (Green IT), Atos is concentrating on the following offerings:
 - Installation of eco-designed supercomputers which are more efficient than conventional supercomputers. As an example, the patented Enhanced Direct Liquid Cooling system contributes to placing Atos' supercomputers among the most energy-efficient machines with an efficiency index of 1.01 to 1.02. This means that they consume only 1 to 2% of their energy for cooling, compared to 10 to 20% with traditional air-cooling systems.
 - Eco-designed communication hardware: Atos Global Operation UCC (Unified Communication & Collaboration) provides digital workplace communication and collaboration solutions. As a provider of ICT products such as phones and communication servers, UCC faces several specific challenges.
 - Optimized manufacturing and computing Test Lab: since 2019, Atos monitors a new global high-performance computing Test Lab. The lab's infrastructure is equipped with an energy-efficient cooling system, which uses low-GWP (Global Warming Potential) refrigerant fluid and "free-cooling", which can result in energy savings of up to 75%. It has an energy recovery system, which reuses the energy generated by the operation of the lab to heat or cool the offices, operating at an energy-efficient COP of 6, twice as efficient as a standard system (COP: coefficient of performance ratio of heating/cooling provided to work).
 - Green hosting solutions and data centers: Atos Global Operation IDM (Infrastructure & Data Management) provides data center hosting services. IDM core data centers are supplied by around 90% of decarbonized energy and the residual CO2e emissions of Atos' data centers worldwide are offset.

To further drive its decarbonization progress, Atos has introduced an internal carbon price mechanism (currently 80 € / ton CO₂) in order to align business decisions towards decarbonization, which materializes into the P&L and the incentives (variable pay) of its managers. In addition, Atos' new LTI plans include a decarbonization objective (weighted 10%) within their performance conditions.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of the SPTs, Sustainalytics considers whether the SPTs go beyond business as usual trajectory, ii) how the SPTs compare to targets set by peers, iii) and how the SPTs compare with science.¹⁴

¹⁴ We refer here to contextual benchmarks, that indicate the alignment of targets with ecosystem boundaries.

Atos has set 2019 as the baseline year for its SPT, as that represents best the Company's performance. Atos has disclosed that total emissions were reduced by around 11% linked to operational progress and around 4% linked to the COVID-19 impact in 2020.

Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer performance, and SBTi approved targets.

Sustainalytics notes that Atos' historical data reflects global GHG emissions before rebaselining and understands that the Company must regularly realign its absolute baselines to accommodate (i) new changes in geographic areas, new activities or trades and new production capacities; and (ii) new changes from acquisitions or divestitures.

Sustainalytics notes that Atos follows a methodology for rebaselining/adjustments using publicly available information and in line with the requirements of the SBTi. Sustainalytics considers Atos' historical performance to be aligned with the SPT.

Regarding performance against peers, Sustainalytics analysed targets set by peers in the software and IT services industry. Based on its review of comparable industry participants, Sustainalytics identified Atos as the only company which has established GHG emissions reduction targets for all emissions (Scope 1, 2 and 3). Sustainalytics therefore highlights Atos' public commitments to absolute emissions reduction as surpassing those of its peer group.

Sustainalytics notes that SBTi classifies Atos' targets covering GHG emissions from company operations (scopes 1 and 2) in line with a 1.5°C trajectory as verified by the SBTi.

Overall Assessment

Sustainalytics considers the SPT to be aligned with Atos' sustainability strategy and to be Highly Ambitious, given that: (i) it is in line with its historical performance, (ii) it is above its industry peers, and (iii) it presents a GHG reduction aligned with a 1.5°C scenario.

Reduce absolute Scope 1, 2 and 3 GHG emissions by 50% from 2019 levels by 2025	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
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Bond Characteristics

Atos has disclosed that the financial characteristics of sustainability-linked instruments under this Framework will be linked to the failure to achieve the SPT specified in the Framework. Such characteristics could be a one-time KPI-premium payment or KPI step-up margin amount applicable to the rate of interest in the event that Atos does not achieve the SPT. Atos will make the information available in the 2025 URD which will be published in 2026 or at the latest by 180 days after the target observation date.



Reporting

Atos commits to report on an annual basis on its performance on the KPI and expects to include the relevant figures in its annually published Universal Registration Document. The reporting will also be available on its website¹⁵ and is aligned with the SLB Principles. Atos further commits to disclose on events, such as (i) changes in geographic areas, new activities or trades and new production capacities, as well as (ii) acquisitions or divestitures, to the extent such events substantially impact the calculation of the KPI, and require the restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope. Atos further commits to disclose relevant information thereby enabling investors to monitor the level of ambition of the SPT.

¹⁵ Atos, "Investors Relations", at: <https://atos.net/en/investors>



Verification

Atos commits to having an external verifier, the external auditor verifying the Company's non-financial ESG KPIs, provides a limited assurance on the published KPI performance figures for each fiscal year, which will be included in the Company's annually published Universal Registration Document. Sustainalytics notes that this is aligned with the SLB Principles on verification.

Section 2: Assessment of Atos's Sustainability Strategy

Credibility of Atos Sustainability Strategy

According to Sustainalytics' ESG Risk Ratings, Atos' overall management of material ESG issues (MEIs) is strong, ranking in the top 2% of companies within its sub-industry.¹⁶ The Company's Board of Directors is responsible for determining approval and implementation of the Company's strategic direction through its General Management Committee. Atos' Board has integrated its material ESG issues into its product philosophy as well as operations by including CO₂ emissions in Atos Group's 3 year strategic plans since 2016.¹⁷ Atos' environment policy,¹⁸ which intends to reduce its worldwide carbon footprint, focuses on eight principles including compliance, prevention of pollution, identifying and addressing global and local environment issues, implement, monitor and regularly review necessary initiatives and action plans, and communication to all stakeholders. The policy is binding on the Company's employees, suppliers and sub-contractors. The Company's purpose statement, which guides its operations, has identified climate change as one of its pillars, with a focus towards ensuring decarbonization for the Company as well as its supply chain.¹⁹ In 2021, Atos received a 97.1% favorable opinion from its shareholders on its "Net Zero" decarbonization ambition.^{20,21} Furthermore, Atos became a signatory of the United Nations Global Compact (UNGC) in 2010,²² and has implemented the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since July 2019.²³ Atos has a credible and consistent sustainability strategy.

The Company's environment program started in 2008 with a focus on the climate emergency, and the Company managed to offset 100% of their defined operational carbon emissions through wind-power projects in 2019.²⁴ In line with its primary target to cut carbon emissions by half between 2019 and 2025, the Company has achieved a 15% reduction in its emissions in 2020 compared to 2019. In addition, between 2012 and 2019, the Company reduced its carbon emissions by around 50% both in intensity and absolute terms.²⁵ The Company has committed to becoming net-zero carbon by 2028 on Scope 1, 2 and 3 emissions.^{26,27} The Company has also been ranked first in the 2020 Dow Jones Sustainability Index in the IT services industry. In terms of its ESG performance, Atos has been positioned in the top 5% for various ESG ratings and ESG performance disclosure agencies like MSCI, EcoVadis, FTSEGood and CDP. The Company has also introduced an internal carbon pricing mechanism and acquired EcoAct, to help their customer's transition towards net zero emissions in their own operations.

Atos' 2020 Integrated Report was written in accordance with GRI Standards and in alignment with recommendations of the Sustainability Accounting Standards Board (SASB). Additionally, the Company publishes the Universal Registration Document annually²⁸, which includes its goal to achieve net zero by 2028 and create value for all its stakeholders through financial, environmental and societal achievements. Sustainalytics considers Atos to have a strong sustainability strategy and considers that the SLBs will further support the Atos sustainability strategy.

¹⁶ This assessment has been derived from Sustainalytics' ESG Risk Ratings framework on September 30, 2021, comparing Atos with 189 peers (3 out of 190) in the global Telecommunication Services sub-industry

¹⁷ Atos, "Environment" at: <https://atos.net/en/about-us/corporate-responsibility-and-sustainability/environment>

¹⁸ Atos, "Atos' Environment Policy" at: <https://atos.net/wp-content/uploads/2020/09/atos-environmentalpolicy.pdf>

¹⁹ Atos, "Raison D'être" at: <https://atos.net/en/raison-detre>

²⁰ Atos, "Convening Notice 2021", (p40), at: <https://atos.net/content/investors-documents/agm-2021/atos-convening-notice-2021.pdf>

²¹ Atos, "Voting results 2021", (p3), at: <https://atos.net/content/investors-documents/agm-2021/atos-ag-2021-voting-results.pdfv>

²² Atos, "Atos Partner's Commitment to Integrity" at: <https://atos.net/wp-content/uploads/2021/07/atos-commitment-integrity-2021.pdf>

²³ TCFD, "Supporters", at: <https://www.fsb-tcfd.org/supporters/>

²⁴ Atos, "Environment" at: <https://atos.net/en/about-us/corporate-responsibility-and-sustainability/environment>

²⁵ Atos, "Integrated Report 2020" (p52) at: <https://atos.net/content/investors-documents/ir-2020/atos-integrated-report-2020-en.pdf>

²⁶ Atos, "Integrated Report 2020" (p4) at: <https://atos.net/content/investors-documents/ir-2020/atos-integrated-report-2020-en.pdf>

²⁷ The Company has committed to reducing Scope 1, 2 and 3 emissions, and intends to reach the SBTi target by 2025.

²⁸ Atos, "Universal Registration Document 2020" at: <https://atos.net/content/investors-documents/2021/atos-2020-universal-registration-document.pdf>

Atos's Environmental and Social Risk Management

Sustainalytics notes that the ESG risk management of Atos is considered strong. Sustainalytics also recognizes that while Atos' defined targets are impactful, it is acknowledged that achieving the SPTs bears environmental and social risks related to data privacy and security and product governance.

In the following section Sustainalytics comments on Atos's ability to mitigate such potential risks.

- Data Privacy and Security: The Company receives, stores and processes large volumes of sensitive customer data. This triggers exposure to data privacy and security breaches, which may result in regulatory actions, litigation, public scrutiny or loss of customer trust. As per Sustainalytics' research, the Company's exposure to Data Privacy and Security issues is high.²⁹ Atos has a data privacy program, that is guided by its Binding Corporate Rule ("BCR")³⁰ and Global Data Protection Statement.³¹ The Company has assigned managerial level responsibility to oversee privacy management and it regularly conducts privacy risk assessments as the CEO and Group Management Committee are regularly updated on internal control, internal audit and risks related to data security and data privacy. The BCR document is binding to Atos' employees, suppliers and sub-contractors and requires regular monitoring and reporting and training the employees through Atos' Global training program on data privacy and is monitored as a part of its compliance.³² Additionally, the company has a cybersecurity management system certified to ISO 27001 standards.³³
- Product Governance: As IT consulting companies integrate and manage enterprise systems in critical areas such as hospitals, law enforcement, airports and utilities and other infrastructure services, strong quality controls are needed to ensure that IT systems do not have any glitches that could adversely impact critical services.³⁴ With the growth of cloud-based service offerings, companies in this industry own, operate, or rent increasingly more data centers and other hardware, thus increasing the dependency on water and energy usage.³⁵ Atos requires its operational sites and data centers to be certified to ISO 14001 standards.³⁶

Additionally, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to Atos. Overall, Sustainalytics considers that Atos has strong management programs and policies to mitigate risks that are material to the Company's sub-industry.

Section 3: Impact of the SPTs Chosen

In 2015, the ICT sector accounted for approximately 1.4% of carbon emissions and consumed about 3.6% of electricity globally,³⁷ while accounting for around 6% of the global GDP.³⁸ Over the past decade, digital services have been on a rise and is expected to continue its significant growth with global internet traffic expected to double by 2022 to 4.2 zettabytes per year. The number of mobile internet users is projected to increase from 3.8 billion in 2019 to 5 billion by 2025, while the number of Internet of Things

²⁹ This assessment has been derived from Sustainalytics' ESG Risk Rating

³⁰ Atos, "Binding Corporate Rules", at: <https://atos.net/content/dam/global/documents/atos-binding-corporate-rules.pdf>

³¹ Atos, "Global Data Protection Statement Atos Group" at: <https://atos.net/wp-content/uploads/2021/04/atos-data-protection-statement.pdf>

³² Atos, "Binding Corporate Rules" (p24), at: <https://atos.net/content/dam/global/documents/atos-binding-corporate-rules.pdf>

³³ Atos, "Certificate Practice Statement" at: <https://pki.atos.net/Download/AtosTrustedCACPSv1.7.pdf>

³⁴ As per Sustainalytics research.

³⁵ As per SASB standards for Software companies.

³⁶ Atos, "Eco-efficient offices and data centers" at: <https://atos.net/content/dam/global/reports-2017/corporate-responsibility-report/environment/eco-efficient-offices-and-datacenters>

³⁷ Jens, M. et al. (2018), "The Energy and Carbon Footprint of the Global ICT and E&M Sectors 2010–2015", Ericsson Research at: World Resources Institute Working Paper, at: <https://www.mdpi.com/2071-1050/10/9/3027>

³⁸ Ericsson, "A quick guide to your digital carbon footprint", (2020), at: <https://www.ericsson.com/en/reports-and-papers/industrylab/reports/a-quick-guide-to-your-digital-carbon-footprint>

(IoT) connections is expected to double from 12 billion to 25 billion.³⁹ Amidst the COVID-19 pandemic, global internet traffic surged by almost 40% between February and mid-April 2020 highlighting the tremendous growth experienced by this sector.

The growth of the ICT sector leads to rising demand for data center services which in turn leads to higher energy use. For every bit of data that travels the network from data centers to end users, another five bits of data are transmitted within and among data centers.⁴⁰ Global data center electricity demand in 2019 was around 200 terawatt-hour, or around 0.8% of global final electricity demand.⁴¹ Despite this growth, rapid improvements in energy efficiency have helped to limit energy demand from data centers and data transmission networks to around 1% each of global electricity use in 2019.⁴² With energy optimization in data centers as one of the strategies to achieve the SPT, Atos will positively contribute to decarbonization of its data centers.

The International Telecommunication Union (ITU) highlighted that a 45% GHG emission reduction between 2020-2030 by the ICT sector is needed to align with the Paris Climate Agreement goals.⁴³ Furthermore, the ICT sector's carbon footprint could be reduced by over 80% if all electricity consumed came from renewable energy sources.⁴⁴ With global operations spread across 71 countries, Atos' commitment to migrate to 100% renewable or decarbonized energy will contribute positively to these goals. Based on the above context, Sustainalytics is of the opinion that Atos's focus and efforts in reducing Scope 1, 2 and 3 emissions will positively contribute to reducing the environmental footprint of the ICT industry and support the ambitions of the Paris Climate Agreement in keeping global warming below 1.5°C.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This sustainability-linked bond advances the following SDG goals and targets:

KPI	SDG	SDG Target
Scope 1, 2 and 3 GHG emissions	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
	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.

Conclusion

Atos intends to issue Sustainability-Linked Bond which will tie the coupon rate to the achievements of the following SPT:

- Reduce absolute Scope 1, 2 and 3 GHG emissions by 50% from 2019 levels by 2025

Sustainalytics considers the KPI chosen to be very strong based on its scope and applicability, and the clear and consistent definitions, and the SPT to be highly ambitious based on the Issuer's historical performance, performance against peers and external contextual benchmarks. Furthermore, Sustainalytics considers reporting and verification commitments to be aligned with market expectations.

³⁹ GSMA, "The Mobile Economy", (2020), at: https://www.gsma.com/mobileeconomy/wp-content/uploads/2020/03/GSMA_MobileEconomy2020_Global.pdf

⁴⁰ CISCO, "Cisco Global Cloud Index: Forecast and Methodology, 2016–2021", (2018), at: https://virtualization.network/Resources/Whitepapers/0b75cf2e-0c53-4891-918e-b542a5d364c5_white-paper-c11-738085.pdf

⁴¹ Masanet, E. et al. (2020), "Recalibrating global data center energy-use estimates", Science, at: <https://doi.org/10.1126/science.aba3758>

⁴² IEA, "Data Centres and Data Transmission Networks", (2020), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

⁴³ ITU, "ICT industry to reduce greenhouse gas emissions by 45 per cent by 2030", (2020), at: <https://www.itu.int/en/mediacentre/Pages/PR04-2020-ICT-industry-to-reduce-greenhouse-gas-emissions-by-45-percent-by-2030.aspx>

⁴⁴ Ibid

Based on the above, Sustainalytics considers Atos' SLB Framework to be in alignment with the five core components of the SLBP and the prospective of achievement of the SPT to be impactful.

Appendix 1: Sustainability-Linked Bonds - External Review Form

Section 1. Basic Information

Issuer name: Atos

Sustainability-Linked Bond ISIN:

Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3): Sustainalytics

Completion date of second party opinion pre-issuance: October 22, 2021

Independent External Review provider's name for post-issuance verification (section 4):

Completion date of post issuance verification:

At the launch of the bond, the structure is:

- a step-up structure a variable redemption structure

Section 2. Pre-Issuance Review

2-1 SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review:

- | | | | |
|-------------------------------------|--|-------------------------------------|--|
| <input checked="" type="checkbox"/> | assessed all the following elements (complete review) | <input type="checkbox"/> | only some of them (partial review): |
| <input checked="" type="checkbox"/> | Selection of Key Performance Indicators (KPIs) | <input checked="" type="checkbox"/> | Bond characteristics (acknowledgment of) |
| <input checked="" type="checkbox"/> | Calibration of Sustainability Performance Targets (SPTs) | <input checked="" type="checkbox"/> | Reporting |
| <input checked="" type="checkbox"/> | Verification | | |
| <input checked="" type="checkbox"/> | and confirmed their alignment with the SLBP. | | |

2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | | | |
|-------------------------------------|----------------------|--------------------------|----------------|
| <input checked="" type="checkbox"/> | Second Party Opinion | <input type="checkbox"/> | Certification |
| <input type="checkbox"/> | Verification | <input type="checkbox"/> | Scoring/Rating |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Atos intends to issue Sustainability-Linked Bond which will tie the coupon rate to the achievements of the following SPT:

- Reduce absolute Scope 1, 2 and 3 GHG emissions by 50% from 2019 levels by 2025

Sustainalytics considers the KPI chosen to be very strong based on its scope and applicability, and the clear and consistent definitions, and the SPT to be highly ambitious based on the Issuer's historical performance, performance against peers and external contextual benchmarks. Furthermore, Sustainalytics considers reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers Atos' SLB Framework to be in alignment with the five core components of the SLBP and the prospective of achievement of the SPT to be impactful.

Section 3. Detailed pre-issuance review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)

Overall comment on the section (*if applicable*): The Atos Sustainability-Linked Bond Framework includes one KPI: Scope 1, 2 and 3 GHG emissions (see Table 1). Sustainalytics considers the KPI chosen to be Very Strong based on its scope and applicability, and the clear and consistent definitions.

List of selected KPIs:

- Scope 1, 2 and 3 GHG emissions (tCO₂e):

Definition, Scope, and parameters

- | | |
|--|---|
| <input checked="" type="checkbox"/> Clear definition of each selected KPIs | <input checked="" type="checkbox"/> Clear calculation methodology |
| <input type="checkbox"/> Other (please specify): | |

Relevance, robustness, and reliability of the selected KPIs

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy. | <input checked="" type="checkbox"/> Evidence that the KPIs are externally verifiable |
| <input checked="" type="checkbox"/> Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis | <input checked="" type="checkbox"/> Evidence that the KPIs can be benchmarked |
| | <input type="checkbox"/> Other (please specify): |

3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section (*if applicable*): Sustainalytics considers the SPT to be aligned with the Issuer's sustainability strategy. Sustainalytics further considers the SPT to be Highly Ambitious based on Issuer's historical performance, performance against peers and external contextual benchmarks.

Rationale and level of ambition

- | | |
|---|--|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement
<input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer's sustainability and business strategy | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines
<input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline
<input type="checkbox"/> Other (please specify): |
|---|--|

Benchmarking approach

- | | |
|--|--|
| <input checked="" type="checkbox"/> Issuer own performance
<input checked="" type="checkbox"/> reference to the science | <input checked="" type="checkbox"/> Issuer's peers
<input type="checkbox"/> Other (please specify): |
|--|--|

Additional disclosure

- | | |
|---|---|
| <input checked="" type="checkbox"/> potential recalculations or adjustments description
<input type="checkbox"/> identification of key factors that may affect the achievement of the SPTs | <input type="checkbox"/> issuer's strategy to achieve description
<input type="checkbox"/> Other (please specify): |
|---|---|

3-3 BOND CHARACTERISTICS

Overall comment on the section (if applicable): Atos will link the bond's financial/structural characteristics to the achievement of the SPT, namely a premium payment amount or step-up margin amount. If Atos achieves the SPT, there will be no impact on the coupon rate.

Financial impact:

- variation of the coupon
- premium payment amount
- Other (please specify):

Structural characteristic:

- Other (please specify):

3-4 REPORTING

Overall comment on the section (if applicable): Atos commits to report on an annual basis on its performance on the KPI in its Universal Registration Document as well as its website. Atos commits to disclose relevant information that affect the KPI performance, such as any significant structural changes. The reporting commitments are aligned with the SLBP.

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> performance of the selected KPIs
<input type="checkbox"/> level of ambition of the SPTs | <input checked="" type="checkbox"/> verification assurance report
<input type="checkbox"/> Other (<i>please specify</i>): |
|--|--|

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual
<input type="checkbox"/> Other (<i>please specify</i>): | <input type="checkbox"/> Semi-annual |
|---|--------------------------------------|

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report
<input type="checkbox"/> Information published in ad hoc documents
<input type="checkbox"/> Reporting reviewed (<i>if yes, please specify which parts of the reporting are subject to external review</i>): | <input type="checkbox"/> Information published in sustainability report
<input checked="" type="checkbox"/> Other (<i>please specify</i>): Universal Registration Document |
|--|---|

Where appropriate, please specify name and date of publication in the “useful links” section.

Level of Assurance on Reporting

- | | |
|---|--|
| <input checked="" type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance
<input type="checkbox"/> Other (<i>please specify</i>): |
|---|--|

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)**Section 4. Post-issuance verification**

Overall comment on the section (if applicable): Atos commits to have an external limited assurance conducted on its KPI performance annually and at the communicated SPT deadline, which is aligned with market expectations.

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance
<input type="checkbox"/> Other (<i>please specify</i>): |
|---|--|

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
|--|--------------------------------------|

Other (please specify):

Material change:

- | | |
|---|--|
| <input type="checkbox"/> Perimeter | <input type="checkbox"/> KPI methodology |
| <input type="checkbox"/> SPTs calibration | |

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For more information, visit www.sustainalytics.com

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Largest Verifier for Certified Climate Bonds in Deal volume in 2020 & Largest External Review Provider in 2020

