

Second-Party Opinion Saur Green & Blue Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Saur Green & Blue Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Water Production and Supply, Wastewater Collection and Treatment, Desalination of Water, Clean Transportation and Renewable Energy – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7 and 11.



PROJECT EVALUATION AND SELECTION Saur's Green Financing Working Group will be responsible for the evaluation and selection of projects in line with the Framework's eligibility criteria. Saur has internal policies, procedures and standards in place to address environmental and social risks, which apply to all allocation decisions made under the Framework. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Saur's Treasury department will be responsible for the management of proceeds and will track their allocation through a portfolio approach using an internal tracking tool. Saur intends to allocate all proceeds within two years of issuance. Pending full allocation, Saur will temporarily invest the proceeds in cash, cash equivalents or other liquid marketable instruments. This is in line with market practice



REPORTING Saur commits to report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation or in the event of material changes to the allocation. Allocation reporting will include the total amount of proceeds allocated by category, the size of the eligible green portfolio, the share of financing versus refinancing and the amount of unallocated proceeds. Sustainalytics views Saur's allocation and impact reporting as aligned with market practice.

Second-Party Opinion

Reviewed by:

MORNINGSTAR

SUSTAINALYTICS



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Introduction

Saur SAS (“Saur” or the “Company”) is a French company that specializes in water services, water engineering and industrial water solutions. Headquartered in Issy-les-Moulineaux, Saur operates in 20 countries in Europe, Middle East, North America and Asia. Founded in 1933, Saur employed 12,000 people and served 9,500 local authorities and industrial clients as of December 2023^{1,2}

Saur has developed the Saur Green & Blue Financing Framework dated September 2024 (the “Framework”), under which it intends to issue green bonds, blue bonds, green loans and blue loans,³ and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to promote water supply, management and treatment as well as clean transportation and renewable energy in France and other countries globally. The Framework defines eligibility criteria in five areas:

1. Water Production and Supply
2. Wastewater Collection and Treatment
3. Desalination of Water
4. Clean Transportation
5. Renewable Energy

Saur engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)⁴ and the Green Loan Principles 2023 (GLP).⁵ For the blue bond and loan issuances, Saur will also align with the IFC Guidelines for Blue Finance.⁶ The Framework will be published in a separate document.⁷

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁸ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Saur’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Saur representatives have confirmed that: (1) they understand it is the sole responsibility of Saur to ensure that the information provided is complete, accurate and 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.

¹ Saur, “2023 Full Year Results”, (2024), at: https://dnr54354splcz.cloudfront.net/publications/2024.04.03_FY-2023-Financial-results_vdef.pdf?v=1712338922

² Saur, “Our Locations”, at: <https://www.saur.com/dive-into-saur/our-locations>

³ For green and blue loans, Saur intends to issue term loans, project finance loans and ECA covered loans. Sustainalytics’s Second-Party Opinion applies only to the instruments expressly cited in the Framework.

⁴ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁵ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

⁶ IFC, “Guidance for Blue Finance”, (2022), at: <https://www.ifc.org/content/dam/ifc/doc/mgrt/ifc-guidelines-for-blue-finance.pdf>

⁷ The Saur Green & Blue Financing Framework is available at: <https://www.saur.com/investors>

⁸ 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.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Saur SAS.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the 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 impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Saur has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Saur Green & Blue Financing Framework

Sustainalytics is of the opinion that the Saur Green & Blue Financing Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics notes that in addition to the GBP and GLP, Saur intends to follow the IFC Guidelines for Blue Finance. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Water Production and Supply, Wastewater Collection and Treatment, Desalination of Water, Clean Transportation and Renewable Energy – are aligned with those recognized by the GBP and GLP.
 - Sustainalytics notes that financing under the Framework will take place in the countries in which the Company operates, primarily France, the Netherlands and other EU countries, with the exclusion of countries that are on the international sanctions lists according to the exclusion criteria in the Framework.
 - The Company has defined a look-back period of two years for its refinancing activities under the Framework, which Sustainalytics considers to be aligned with market practice.
 - Under the Framework, Saur will finance the following types of expenditures: i) capital and operating expenditures for assets that meet the Framework's eligibility criteria; ii) R&D expenditures for new products and solutions that meet the Framework's eligibility criteria; and iii) equity investments for the acquisition of entities that: i) derive 90% or more of their revenue from activities that comply with the eligibility criteria set in the Framework; and ii) whose shares are not publicly traded or newly issued in primary markets. Sustainalytics believes that project- and activity-based investing generally result in more direct environmental benefits and enhance compliance with the criteria in the Framework. However, Sustainalytics acknowledges that using green, blue bond and loan proceeds to finance equity investments in pure play companies is a commonly accepted approach that is likely to generate positive impacts by supporting the end activities of the pure play companies. Sustainalytics further notes that, it is market practice to limit the proceeds of the bonds and loans to the net value of credible assets under the balance sheet of the acquired company. Saur has communicated to Sustainalytics that it intends to finance the market value of the pure play companies,⁹ which may be materially different from the value of the underlying credible assets.
 - Under the Water Production and Supply category, Saur may finance or refinance the design, construction, extension, renewal, operation and maintenance of the following projects in both

⁹ Saur has communicated to Sustainalytics that equity investments for the acquisition of pure play companies will account for less than 15% of the total proceeds from bond and loan issuances under the Framework.

municipal and industrial sectors: i) water collection and treatment facilities; ii) water supply systems; and iii) smart technology projects aimed at improving the efficiency of water supply and distribution systems for domestic and public services purposes, some project examples include leakage control, metering of consumptions, digitalization and automation of sites, wastewater control, water quality control, and management of chemicals and energy consumption. Saur has confirmed that projects dedicated to fossil fuel production and operation, and fossil fuel-related activities will be excluded under the Framework. Sustainalytics considers these investments to be aligned with market practice.

- Under the Wastewater Collection and Treatment category, Saur may finance or refinance the design, construction, extension, renewal, operation and maintenance of the following projects:
 - Wastewater collection and treatment facilities in the municipal and industrial sectors. This includes sludge treatment and recovery through composting and methanization.
 - Infrastructure dedicated to wastewater reuse, including provision of associated services and works. Treated and recycled wastewater will be applied in: i) agricultural land irrigation; ii) urban watering and cleaning; iii) industrial cleaning and process water; iv) recharging water tables; and v) water reuse in residential buildings.
 - Saur has confirmed that wastewater from fossil fuel production and operation, and systems dedicated to controversial activities such as industrial livestock management will be excluded under the category.
 - Sustainalytics considers expenditures under this category to be aligned with market practice.
- Under the Desalination of Water category, Saur may finance or refinance the design, construction, extension, renewable and maintenance of desalination plants powered by renewables. Sustainalytics notes that: i) the desalination plants will produce water for distribution in drinking water supply systems where conventional water resources are under pressure; ii) the plants will have a maximum energy intensity of 5 kWh/m³; and iii) adequate waste management plan will be in place for brine disposal. Sustainalytics considers this to be aligned with market practice.
- Under the Clean Transportation category, Saur may finance or refinance the: i) purchase of battery electric vehicles and associated services such as maintenance and leasing services; and ii) installation, maintenance and repair of electric vehicle charging stations. Sustainalytics considers these expenditures to be aligned with market practice.
- Under the Renewable Energy category, the Company may finance or refinance solar PV trackers and solar PV farms, which Sustainalytics considers to be in line with market practice. Saur has communicated to Sustainalytics that it may also extend financing to other renewable energy projects that follow the EU Taxonomy's energy generation related substantial contribution criteria for climate mitigation.¹⁰ Sustainalytics encourages Saur to report on the sources of renewable energy generation facilities financed and corresponding environmental impacts.
- Sustainalytics notes that the Framework excludes the financing of projects and assets related to the following activities: i) fossil fuels; ii) gambling; iii) tobacco; iv) thermal coal mining; v) controversial weapons; and vi) industrial livestock activities. The Framework also excludes projects, assets, expenditures and investments in countries listed under sanction programmes of the UN,¹¹ the US Office for Foreign Assets Control (OFAC)¹² and the EU.¹³
- Project Evaluation and Selection:
 - Saur has established a Green Financing Working Group which will be responsible for the evaluation and selection of projects in line with the Framework's eligibility criteria. The working group is chaired by a member of the Group Treasury and Financing department and consists of representatives from the CSR, Financing and Treasury, and Operations departments.
 - Saur has internal policies, procedures and standards in place to address environmental and social risks which apply to all allocation decisions made under the Framework. The working group monitors the eligible projects and ensures that they adhere to the Company's internal policies. Sustainalytics considers this environmental and social risk management system to be adequate and aligned with the requirements of the GBP and GLP. For additional details, please refer to Section 2

¹⁰ This Second-Party Opinion applies only to the expenditures and criteria expressly described in the Framework and those communicated by Saur to Sustainalytics before the Evaluation Date.

¹¹ United Nations Security Council, "Sanctions", at: <https://main.un.org/securitycouncil/en/sanctions/information>

¹² U.S. Department of the Treasury Office of Foreign Assets Control, "Sanctions Programs and Country Information", at: <https://ofac.treasury.gov/sanctions-programs-and-country-information>

¹³ EU, "EU Sanctions Map", at: <https://sanctionsmap.eu/#/main>

- Based on the establishment of a dedicated working group and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Saur's Treasury department will be responsible for the management of proceeds and will track their allocation through a portfolio approach using an internal tracking tool.
 - The Company intends to allocate all proceeds within two years of issuance. Pending full allocation, Saur will temporarily invest the unallocated proceeds in cash, cash equivalents or other liquid marketable instruments.
 - Saur has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. Saur intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Saur commits to report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation or in the event of material changes to the allocation.
 - Allocation reporting will include: i) the total amount of proceeds allocated by category; ii) the size of the eligible green portfolio; iii) the share of financing versus refinancing; iv) examples of eligible projects; iv) the percentage of EU Taxonomy-aligned eligible projects where available; v) the amount of unallocated proceeds and the temporary use of the unallocated proceeds where feasible; and vi) material developments related to the eligible projects, if any.
 - Impact reporting may include metrics such as: i) the quantity of drinking water produced (in Mm³); ii) the volume of wastewater treated (in Mm³); and iii) the volume of water discharged into the natural environment without impact.
 - Saur commits to have an external auditor provide limited assurance report for the allocation of proceeds on an annual basis until full allocation.
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the Saur Green & Blue Financing Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of Saur

Contribution to Saur's sustainability strategy

Saur has developed a Sustainable Development Roadmap 2021-2025 with nine key commitments, of which the following three are linked to the financing under the Framework: i) water conservation; ii) use of Environmental Monitoring Interface (EMI) solutions and other technologies for water protection; and iii) decarbonization of the Company and the industry.¹⁴

Saur is committed to helping its customers transition to more sustainable and resilient water management practices through its services and technology. The Company has set a target to reduce water withdrawals per customer by 0.5% annually compared to the 2021 baseline, and has met this target in 2022 and 2023 since its inception.¹⁵ The reduction in water withdrawals has been realised through the implementation of the following measures: i) installing approximately 200,000 additional remote reading meters in 2023; ii) establishing a centralized data platform; iii) enhancing data collection tools and deploying new data analytical tools; iv) identifying contracts that deviate from the target and taking corrective actions; and v) implementing additional controls and automation.¹⁶ Saur has also developed the REUSE system, which reuses treated wastewater for applications such as agricultural irrigation, watering green spaces and replenishing groundwater levels.¹⁷ In 2008, the Company implemented this system in the arid climate region of Mauron in France, and it has since been used to irrigate approximately 101 hectares of agricultural land, resulting in a 30% to 50% reduction in the annual flow discharged into protected sensitive areas.¹⁸ Additionally, Saur is developing predictive

¹⁴ Saur, "Our Sustainability Roadmap", at: <https://www.saur.com/mission-water/csr-sustainability-road-map>

¹⁵ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at: https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at: https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

artificial intelligence models to be implemented in its EMI platform.¹⁹ The EMI platform provides forecasts of increasing drought risk levels by capturing all available environmental data that could potentially influence water resources, and has been used by more than 180 local authorities in France.^{20,21} Saur has also launched a website, info-sécheresse, which provides free access to real-time data on alterations in water resources and drought risks in the country.²²

With regard to decarbonization, Saur has set targets to reduce its absolute scope 1 and 2 emissions by 42% and scope 3 emissions²³ by 25% by 2030, compared to 2021 levels.²⁴ The targets have been validated by the Science Based Targets initiative (SBTi) in 2023.²⁵ To achieve these, Saur is working on measures such as switching to renewable energy sources through the installation of solar panels and execution of power purchase agreements at its sites, and deploying low-carbon vehicles.²⁶ In 2023, Saur achieved a 48% reduction in its scope 1 and 2 emissions compared to 2021.²⁷ Additionally, Saur issued its first sustainability-linked bond in 2021, with targets for three key performance indicators: i) reduction of water withdrawal; ii) reduction of carbon intensity; and iii) promotion of gender diversity in the Company's executive management.²⁸ The Company achieved targets for all KPIs in 2022 and 2023.²⁹

Sustainalytics is of the opinion that the Saur Green & Blue Financing Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues related to: i) land use and biodiversity issues associated with large-scale infrastructure development; ii) emissions, effluents and waste generated in construction; iii) occupational health and safety (OHS); iv) product service and quality; v) community relations and stakeholder participation.

Sustainalytics is of the opinion that Saur is able to manage and mitigate potential risks through implementation of the following:

- Saur has an internal control system named Vigilance Plan. The system regularly assesses all company activities and internal procedures, covering the Company's key risk areas such as health and safety, environment, human rights and freedom, and ethics and compliance.³⁰ The Vigilance Plan sets out guidelines and procedures for five key components: i) risk mapping; ii) regular assessment of subsidiaries, subcontractors and suppliers; iii) actions to mitigate risks and prevent severe impact; iv) a mechanism for whistleblowing and receiving reports and v) a system for monitoring measures and assessing their effectiveness. Specifically for suppliers and subcontractors, the Company's purchasing department conducts a multi-criteria supplier assessment on human rights, labour law, anti-corruption, OHS and environmental management during the selection process, annually until the end of the contract.³¹ In addition, the Ethics and Compliance department evaluates the integrity and reputation risk of the Company's suppliers, with those identified as critical being subject to further assessment.³²

¹⁹ Ibid.

²⁰ Saur, "How does EMI Patrimoine help local authorities optimize their investments?", (2021), at: <https://blog.saur.com/en/how-does-emi-patrimoine-help-local-authorities-optimize-their-investments>

²¹ Ibid.

²² Saur, "Integrated CSR report 2023", at: https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

²³ Saur has communicated to Sustainalytics that scope 3 emissions encompass emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, use of sold products and end of life treatment of sold products.

²⁴ Saur has shared the information with Sustainalytics.

²⁵ SBTi, "Companies Taking Actions", at: <https://sciencebasedtargets.org/companies-taking-action>

²⁶ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at: https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

²⁷ Ibid.

²⁸ Saur, "Sustainability-Linked Financing Framework", at: <https://dnr54354splcz.cloudfront.net/publications/Saur-Sustainability-Linked-Financing-Framework-May-2024-update-v2.pdf?v=1715961464>

²⁹ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at: https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

³⁰ Saur, "Saur Group Vigilance Plan 2022", at: <https://dnr54354splcz.cloudfront.net/publications/Saur-Group-Vigilance-Plan-2022.pdf?v=1653028689>

³¹ Ibid.

³² Ibid.

- To manage risks associated with biodiversity, land use, and emissions, effluents and waste, Saur has implemented an environmental management system certified by ISO 14001.³³ Additionally, for water effluents generated by its operations, the Company monitors the quality of the water treated at its wastewater treatment plants and is subject to a regular audit by the water supervisory authorities.³⁴ Furthermore, for projects located in the EU, Saur complies with: i) the Environmental Impact Assessment (EIA) Directive (2014/52/EU), which requires all projects with potentially significant environmental impacts to be properly assessed before approval;³⁵ ii) the EU Construction and Demolition Waste Protocol and Guidelines,³⁶ the EU Waste Framework Directive,³⁷ the Waste Electrical and Electronic Equipment Directive³⁸ and the European Waste Shipment Regulation.³⁹
- In terms of managing OHS risks, Saur has a health and safety prevention policy that covers all employees, business partners and subcontractors at its sites. The policy sets out requirements on hygiene, health and safety in the working environment and requires regular monitoring.⁴⁰ In addition, Saur has an ISO 45001-certified safety management system, which includes an assessment of occupational risks, development of action plans for significant risks and on-site audits.⁴¹ For external contractors, the Company implements prevention plans and general coordination plans along with regular safety audits to assess the implementation of the OHS measures.⁴² Saur's France Safety Committee oversees all structural prevention actions on a quarterly basis, aiming to achieve the Company's objective of a zero-accident workplace.⁴³
- Regarding issues related to Saur's water supply reliability and water quality, the quality and quantity of water in each treatment plant is monitored on a continuous basis by local authorities. Furthermore, water samples are examined by laboratories approved by France's Regional Health Agencies (ARS) in accordance with the ARS' annual programme.⁴⁴
- To manage risks related to community relations and stakeholder participation, Saur conducted a double materiality assessment in 2020 and engaged more than 38,000 stakeholders, including local authorities, citizens, farmers, industries, experts and NGOs for feedback on the impact of Saur's activities.⁴⁵ The Company is currently working on a new double materiality assessment planned to be published in 2025, and has conducted surveys with more than 100 internal and 10 external stakeholders.⁴⁶ In addition, Saur has established a whistleblowing procedure for internal and external stakeholders to anonymously report misconduct incidents.⁴⁷
- Sustainalytics further notes that most of Saur's operations are located in France, which is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance systems, legislation and institutional capacity to mitigate common environment and social risks associated with the eligible projects.⁴⁸

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Saur has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

³³ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at:

https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

³⁴ Saur, "Saur Group Vigilance Plan 2022", at: <https://dnr54354splcz.cloudfront.net/publications/Saur-Group-Vigilance-Plan-2022.pdf?v=1653028689>

³⁵ European Parliament, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment", (2014), at: <https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>.

³⁶ European Commission, "EU Construction and Demolition Waste Protocol and Guidelines", (2018), at: https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18_en

³⁷ European Parliament, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0098>

³⁸ EUR-Lex, "Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE)", (2012), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012L0019>

³⁹ EUR-Lex, "Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006R1013>

⁴⁰ Saur, "Saur Group Vigilance Plan 2022", at: <https://dnr54354splcz.cloudfront.net/publications/Saur-Group-Vigilance-Plan-2022.pdf?v=1653028689>

⁴¹ Ibid.

⁴² Ibid.

⁴³ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at:

https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

⁴⁴ Saur, "Saur Group Vigilance Plan 2022", at: <https://dnr54354splcz.cloudfront.net/publications/Saur-Group-Vigilance-Plan-2022.pdf?v=1653028689>

⁴⁵ Saur, "RAPPORT INTÉGRÉ 2020", at: https://dnr54354splcz.cloudfront.net/publications/FR_SAUR_RI-2020_mai-2021_BD_PAP.pdf?v=1643822972

⁴⁶ Saur has shared the information with Sustainalytics on a confidential basis.

⁴⁷ Saur, "Accelerating the water transition, everywhere, for everyone – 2023 Integrated CSR report", at:

https://dnr54354splcz.cloudfront.net/publications/Saur-RI2023_EN-014-Web.pdf?v=1715840905

⁴⁸ Equator Principles, "Designated and Non-Designated Countries", at: <https://equator-principles.com/about-the-equator-principles/>

Section 3: Impact of Use of Proceeds

The five use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of financing water management projects in France

Renewable water supplies have declined in France by 14% between 1990-2001 and 2002-2018 periods,^{49,50} and climate change effects are expected to aggravate the problem, pushing this decline to up to 40% by 2050.^{51,52} Since 2015, for example, more than half of French departments have had water use restrictions during the summer; in the 2023 winter, a national drought marked a record 32 days without significant precipitation.⁵³ In parts of the west and southwest of France, water use restrictions lasting for at least two months have been enforced every year since at least 2012.⁵⁴

In view of this looming water crisis, the French government launched the "Water" plan in the spring of 2023, announcing 53 initiatives to reduce water use and improve the measurement and planning of water resources, backed by a EUR 500 million annual investment shared with local governments.^{55,56} Key objectives of the plan include: i) reducing water abstraction by 10% by 2030 relative to 2023, ii) improving water efficiency across all economic sectors with a special focus on agricultural sector; and iii) enhancing drought crisis management.⁵⁷ Additionally, the plan aims to secure water quality and supply through measures such as reducing water leaks, promoting non-conventional water sources such as the reuse of treated waste water, rainwater and grey water, combating pollution and restoring ecosystems, supported by improved governance and increased funding.⁵⁸ The plan also includes an emergency fund of EUR 180 million to repair leaks and upgrade water networks, starting from identifying the most vulnerable areas, which are determined based on leakage rates and water stress levels.⁵⁹ As part of the plan, the agri-food sector, which accounts for approximately 58% of the total water consumption, has been granted the possibility to use recycled water for certain types of activities subject to specific authorization, from the beginning of 2024.^{60,61}

Based on the above, Sustainalytics is of the opinion that Saur's investments in water supply and management will contribute to France's efforts in relation to water use and management.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Saur Green & Blue Financing Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Water Production and Supply	6. Clean Water and Sanitation	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all

⁴⁹ France Stratégie, "Prélèvements et consommations d'eau : quels enjeux et usages?", (2024), at: <https://www.strategie.gouv.fr/publications/prelevements-consommations-deau-enjeux-usages>

⁵⁰ "Évolutions de la ressource en eau renouvelable en France métropolitaine de 1990 à 2018", at: <https://www.statistiques.developpement-durable.gouv.fr/evolutions-de-la-ressource-en-eau-renouvelable-en-france-metropolitaine-de-1990-2018>

⁵¹ Ibid.

⁵² Government of France, Ministry of Ecology, "53 MESURES POUR L'EAU", (2023), at:

[https://www.ecologie.gouv.fr/sites/default/files/documents/MAR2023_DP-PLAN%20EAU_BAT%20\(1\).pdf](https://www.ecologie.gouv.fr/sites/default/files/documents/MAR2023_DP-PLAN%20EAU_BAT%20(1).pdf)

⁵³ Ibid.

⁵⁴ Government of France, General Commissariat for Sustainable Development, "Gestion de l'eau en période de sécheresse en France métropolitaine", (2023), at: <https://www.notre-environnement.gouv.fr/themes/economie/l-utilisation-des-ressources-naturelles-ressources/article/gestion-de-l-eau-en-periode-de-secheresse-en-france-metropolitaine-6326>

⁵⁵ Élysée Palace, "Présentation du Plan eau.", (2023), at: <https://www.elysee.fr/emmanuel-macron/2023/03/30/presentation-du-plan-eau>

⁵⁶ Légifrance, "Journal officiel électronique authentifié n° 0162 du 09/07/2024", at: <https://www.legifrance.gouv.fr/download/pdf?id=PVgGRkg5g2HaAs0-cs-mW07mT0ji9z3kMMVYU8Jy7sc=>

⁵⁷ United Nations, "Water plan 2023-2030 « for a resilient and concerted management of water resources, promoting water savings », first part of the French ecological planning", at: <https://sdgs.un.org/partnerships/plan-eau-2023-2030-pour-une-gestion-resiliente-sobre-et-concertee-de-la-ressource-en>

⁵⁸ Ibid.

⁵⁹ Government of France, Ministry of Ecology, "53 MESURES POUR L'EAU", (2023), at:

[https://www.ecologie.gouv.fr/sites/default/files/documents/MAR2023_DP-PLAN%20EAU_BAT%20\(1\).pdf](https://www.ecologie.gouv.fr/sites/default/files/documents/MAR2023_DP-PLAN%20EAU_BAT%20(1).pdf)

⁶⁰ Water Reuse Europe, "France releases a new decree clarifying the use of recycled water in the food industry", at: <https://www.water-reuse-europe.org/france-releases-a-new-decree-clarifying-the-use-of-recycled-water-in-the-food-industry/#page-content>

⁶¹ Rosie F. (2023), "Macron unveils France's plan to share, reuse and save water in the face of drought", Euronews, at:

<https://www.euronews.com/green/2023/03/30/macron-unveils-frances-plan-to-share-reuse-and-save-water-in-the-face-of-drought>

		6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Wastewater Collection and Treatment	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Desalination of Water	6. Clean Water and Sanitation	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
		6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Saur has developed the Saur Green & Blue Financing Framework under which it may issue green and blue bonds and loans, and use the proceeds to finance projects related to water production and supply, wastewater collection and treatment, desalination, clean transportation and renewable energy. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Saur Green & Blue Financing Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Saur Green & Blue Financing Framework is aligned with the overall sustainability strategy of Saur and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 6, 7 and 11. Additionally, Sustainalytics is of the opinion that Saur has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Saur SAS is well positioned to issue green and blue bonds and loans, and that the Saur Green & Blue Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

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