

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Financing Framework

Egis
9 June 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">▪ Sustainability-Linked Instruments
Relevant standard(s)	<ul style="list-style-type: none">▪ Sustainability-Linked Bond Principles, as administered by the ICMA (as of June 2020)▪ Sustainability-Linked Loan Principles, as administered by the LMA (as of March 2022)
Scope of verification	<ul style="list-style-type: none">▪ Egis Group's Sustainability-Linked Financing Framework (as of May 3rd, 2023)
Lifecycle	<ul style="list-style-type: none">▪ Pre-issuance verification
Validity	<ul style="list-style-type: none">▪ As long as Egis' Sustainability-Linked Financing Framework and benchmarks for the Sustainability Performance target(s) remain unchanged.

CONTENTS

SCOPE OF WORK	3
EGIS BUSINESS OVERVIEW	3
SPO ASSESSMENT SUMMARY	4
SPO ASSESSMENT.....	6
PART 1: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES AND LMA SUSTAINABILITY-LINKED LOAN PRINCIPLES	6
PART 2: KPI SELECTION & SPT CALIBRATION	7
PART 3: LINKING THE TRANSACTION TO EGIS' ESG PROFILE	27
A. CONSISTENCY OF SUSTAINABILITY-LINKED INSTRUMENTS WITH EGIS GROUP'S SUSTAINABILITY STRATEGY	27
B. EGIS GROUP'S BUSINESS EXPOSURE TO ESG RISKS	29
ANNEX 1: ISS ESG Corporate Rating.....	33
ANNEX 2: Methodology	33
ANNEX 3: Quality management processes	35
About the SPO.....	36

SCOPE OF WORK

Egis Group (“Egis” or “the issuer” or “the company”) commissioned ICS to assist with its Sustainability-Linked Instruments by assessing three core elements to determine the sustainability quality of the instrument:

1. Egis’ Sustainability-Linked Financing Framework (as of May 3rd, 2022) and structural components of the transaction – benchmarked against the Sustainability-Linked Bond Principles (SLBP), as administered by the International Capital Market Association (ICMA), and the Sustainability-Linked Loan Principles (SLLP), as administered by the Loan Market Association (LMA).
2. The sustainability credibility of the Key Performance Indicators (KPI) selected and Sustainability Performance Targets (SPT) calibrated – whether the KPIs selected are core, relevant and material to the issuer’s business model and industry, and whether the associated targets are ambitious.
3. Linking the transaction(s) to Egis’ overall ESG profile – drawing on Egis’ sustainability objectives.

EGIS BUSINESS OVERVIEW

Egis Group (Egis) provides consulting, engineering, and operating solutions in the construction engineering and mobility services sector. Approximately 35% of its operations are in France and the rest of the 65% is present in Europe, the Middle East, India, Latin America, Africa, and Asia-Pacific. Egis offers services and solutions in 9 core sectors: aviation, road transport, rail transport, urban transit, waterway transport, energy and water infrastructure, eco-design and smart buildings, and smart cities. Through its wide-ranging fields of activity, Egis generated a revenue of €1.5 billion in 2022. Engineering and consulting projects (expertise in transportation, sustainable cities, water and energy) contribute to 79% of revenues and operation and mobility projects (operating infrastructure and offering leading mobility and city services) contribute the remaining 21%.

It is classified in the Construction industry, as per ISS ESG’s sector classification.

SPO ASSESSMENT SUMMARY

EVALUATION SUMMARY ¹				
Alignment with the SLBP and SLLP	The framework is in line with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA and the Sustainability-Linked Loan Principles (SLLP) administered by the LMA.			
KPI Selection	KPI 1. Absolute Scope 1, 2 & 3 greenhouse gas (GHG) emissions	KPI 2. Carbon footprint assessment deployment rate	KPI 3. Share of eco-designed projects	KPI 4. Share of the target population having followed the eco-design training
Relevant	Relevant	Relevant	Relevant	Relevant
Core	Core	Core	Core	Core
Material	Moderately Material if issued alone, but Material if issued with KPI 2 ²	Moderately Material if issued alone, but Material if issued with KPI 1 ²	Partially Material	Material
Assessment	Best Practice	Best Practice	Aligned	Aligned³
SPT Calibration	SPT 1. 35% reduction in absolute GHG emissions by 2030	SPT 2. Increase Carbon footprint assessment deployment rate to 95% by 2024	SPT 3. Achieve 100% of eco-designed projects by 2030	SPT 4. Achieve 90% of target employees to be trained on eco-design by 2025
Against past performance	Ambitious, based on limited evidence	Ambitious	Ambitious, based on limited evidence	Ambitious
Against industry peer group	Ambitious	Limited information	Ambitious, based on limited evidence	Ambitious, based on limited evidence
Against international targets	Calibrated using the French National Low-Carbon Strategy ⁴	Calibrated to align the coverage with SBTi guidance	Limited information ⁵	Limited information
Level of ambition	Good⁶	Good⁵	Good⁵	Good⁵

¹ The evaluation is based on the engagement conducted between December 2022 & May 2023, on the issuer's Sustainability-Linked Financing Framework (as of May 3rd, 2023).

² Egis commits to issuing KPI 1 and KPI 2 simultaneously as long as KPI 2 remains relevant and the objective over the instrument's maturity remains ambitious (i.e., the coverage threshold set by SPT 2 has not been achieved).

³ While KPIs deemed relevant, core, and material normally obtain a 'Best Practice' assessment, this KPI is 'Aligned' due to limitations in terms of benchmarkability.

⁴ This is the [French roadmap for reducing greenhouse gas emissions](#). It notably defines a trajectory for reducing GHG emissions until 2050 and sets short to medium-term objectives in the form of carbon budgets. While this strategy represents France's most up-to-date guidance for companies to be in line with its contributions to the Paris Agreement, for the overall level of ambition to be considered as Robust, we expect the target to be supported by an independent assurance or verification (which is not the case here). Thus, the overall level of ambition of the target is assessed as Good.

⁵ The lack of international targets, not attributable to the issuer, limits the ability to compare against such benchmarks.

⁶ The SPT is ambitious against only two of the three dimensions.

<p>Linking the transaction to Egis' overall ESG profile</p>	<p>Consistent with the issuer's sustainability strategy</p> <p>Two of the three pillars of Egis' sustainability strategies focus on the commitment to reduce environmental impacts and talent development. KPI 1 focuses on reducing GHG emissions and links to the issuer's ambition to reduce environmental impacts. KPI 2 focuses on increasing carbon footprint assessment deployment rate and links to the issuer's ambition to reduce environmental impacts. KPI 3 focuses on reducing the emissions of client's projects and limit their impact on biodiversity, and links to the issuer's ambition to reduce environmental impacts. KPI 4 focuses on developing training program with eco-design and environmental management topics for employees and links to the issuer's ambition in talent development and reducing environmental impacts.</p>
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SPO ASSESSMENT

PART 1: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES AND LMA SUSTAINABILITY-LINKED LOAN PRINCIPLES

This section describes our assessment of the alignment of the Egis' Sustainability-Linked Financing Framework (as of May 3rd, 2023) with the Sustainability-Linked Bond Principles (SLBP) and the Sustainability-Linked Loan Principles (SLLP).

SLB/SLL PRINCIPLES	ASSESSMENT	OPINION
1. Selection of KPIs		A detailed analysis of the sustainability credibility of the KPI selection is available in Part 2 of this report.
2. Calibration of SPTs		A detailed analysis of the sustainability credibility of the SPT calibration is available in Part 2 of this report.
3. Bond Characteristics	✓	The description of the Sustainability-Linked Bond Characteristics provided by the issuer is aligned with the SLBP and SLLP. The issuer gives a detailed description of the potential variation of the financial characteristics of the securities (increase/decrease of the coupon, donation).
4. Reporting	✓	The Reporting description provided by the issuer is aligned with the SLBP and SLLP. This will be made available annually to investors within the non-financial performance statement and include valuable information, such as information on the performance and monitoring of the selected KPIs, verification assurance report relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on an instrument's financial performance, and any relevant information enabling investors to monitor the progress of the SPT.
5. External verification	✓	The Verification description provided by the issuer is aligned with the SLBP and SLLP. This report constitutes the SPO. The performance of the SPTs against the KPIs will be externally verified annually until the target is reached.

PART 2: KPI SELECTION & SPT CALIBRATION

1. Selection of KPI 1

KPI 1 – Absolute greenhouse gas (GHG) emissions

Opinion	<i>The KPI is relevant, core and moderately material to Egis' business model and sustainability profile from an ESG perspective if issued alone, but material if issued on the same financial instrument as KPI 2. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable. It tracks 100% of Scope 1, 2 & 3 GHG emissions, but covers only 60.2% of the company's activity in 2021. According to SPTs set by KPI 2, this perimeter is set to increase to 95% by 2024.</i>	
Assessment	Not aligned	Aligned
Assessment		Best Practice
KPI 1 Characteristics and Features	KPI definition:	Absolute greenhouse gas (GHG) emissions, in tCO ₂ e
	Scope and perimeter:	<p>The KPI scope and perimeter are transparently defined as it currently covers Scope 1, 2 & 3 GHG emissions of Egis' historical perimeter, which corresponds to all engineering activities headquartered in France (60.2% of sales in 2021)</p> <p>The emissions categories included in scope 3 being:</p> <ul style="list-style-type: none"> ▪ Business travel ▪ Waste ▪ Employee commuting (starting 2021 onward) ▪ Purchased, good and services related to IT (starting 2021 onward) ▪ Investments (to be implemented FY2022 onward)
	Quantifiable/Externally verifiable:	The KPI is quantifiable, since it is calculated as absolute Scope 1, 2 & 3 GHG emissions. It is externally verifiable, because absolute GHG emissions are a widely disclosed and standardized metric. The issuer is referring to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).
	Externally verified:	The historical data for the KPI selected has been verified by a qualified third-party since 2018. The issuer commits to having the future data verified by an external reviewer as well.
	Benchmarkable:	By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPT in relation to this KPI has been analyzed below.
KPI 1 Analysis	The KPI is considered:	

Relevant to Egis' business as all industries are considered as exposed to climate change risks, even less carbon intensive ones. In fact, companies from the tertiary sector usually see a majority of their emissions stemming from office building use, vehicle use, and commuting/business travel, all of which significantly contribute to GHG emissions & climate change.

Core to the issuer's business as CO₂ emission reduction measures affect key processes and operations that are core to the business model of the issuer. This notably includes business travel, which is responsible for nearly 80% of Egis' total CO₂ emissions. As such, the company expects to continue the development of its action plan on travel with the deployment of a fleet of lower-emission vehicles and the necessary EV charging terminals, as well as targeted initiatives to encourage employees to take the train. Lastly, for its French employees, Egis aims to sign a "sustainable mobility package" agreement, aiming to increase the share of car-alternative modes.

Moderately Material⁷ to Egis' business model and sustainability profile from an ESG perspective if issued alone, but **Material** if issued on the same financial instrument as KPI 2:

- Even though the KPI covers Scope 1, 2 & 3, the KPI alone would be partially material to the company's entire value chain because the calculation of the company's carbon footprint currently focuses on its historical perimeter, which corresponds to all engineering activities headquartered in France. In 2021, only 60.2% of the company's activities (calculated as a ratio of its total turnover) were covered by this KPI. This was notably the case for nearly all Engineering activities, but none of Egis' Operations & Maintenance activity. Meanwhile, the latter are more carbon intensive than the former according to the company. As such, in 2021 the actual CO₂ emissions covered by the carbon footprint would have been less than 60%.
- However, KPI 2 aims to increase the deployment rate of Egis' carbon footprint assessment, thus directly increasing the perimeter of KPI 1. By 2024, KPI 2 notably aims to achieve a threshold of 95% coverage. With this achievement, the company also expects to cover 95% of GHG emissions for scopes 1 and 2, and 67% for scope 3,⁸ which are the requirements for target submission to SBTi.⁹ By the time of KPI 1's first SPT in 2025, the company's carbon footprint assessment would therefore already be significant enough according to SBTi guidance. As such, KPI 1 can be considered as material if issued on the same financial instrument as KPI 2, which Egis commits to do as long as KPI 2 remains relevant and the objective over the instrument's maturity remains ambitious (i.e. the coverage threshold set by SPT 2 has not been achieved).
- According to the company, once the SBTi file has been validated, KPI 1 and SPT 1 will be updated according to its recalculation policy in order to align with the Group's carbon footprint enhanced scope and objective and subject to SPO review.

⁷ ISS ESG bases this analysis on the issuer's own emissions reporting and makes no comment on the quality or consistency of the issuer's Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol, or to established norms for the issuer's sector. ISS ESG notes that Scope 3 reporting may be different between companies in the same sector and does not undertake any benchmarking of an issuer's reporting.

⁸ The company has explained that a "gap analysis" mission is underway. Realized by hired carbon footprint specialists working on Egis' carbon footprint under preparation for FY2022, the company expects that this study will lead to a dedicated "SBTi roadmap" which will guarantee this.

⁹ Science Based Targets initiative, 2021, SBTi Criteria and Recommendations <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

2. Calibration of SPT 1

SPT 1 – Reduction in absolute GHG emissions from baseline

Opinion	<i>The SPT is (i) ambitious against the company's past performance, based on limited information due to the unverified nature of the baseline, (ii) ambitious against peers in terms of setting a target, and (iii) calibrated using France's National Low-Carbon Strategy, limited due to a lack of independent assurance or verification. The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the company's framework.</i>			
Level of Ambition	No Evidence	Limited	Good	Robust
SPT 1	SPT definition:	Reduction in absolute GHG emissions from scope 1, 2 & 3, in percentage from baseline.		
Characteristics and Features	Baseline performance and year:	15 635 tCO ₂ e in 2016		
	Target performance and observation date:	<ul style="list-style-type: none"> ▪ -21% by 2025 = 12 352 tCO₂e ▪ -35% by 2030 = 10 163 tCO₂e <p>Observed on the 31st of December.</p>		
	Trigger event:	Egis will assign structural and/or financial implications to the achievement or non-achievement of the pre-defined SPT(s) at the relevant Target Observation Date(s) specified in the financing documentation of the relevant Sustainability-Linked Financing Instrument.		
	Long-term target:	<p>Egis' existing medium and long-term emissions reduction targets for the activities headquartered in France are, according to the issuer, aligned with the French National Low-Carbon Strategy:</p> <ul style="list-style-type: none"> ▪ -60% by 2040 ▪ -80% by 2050 <p>Medium and long-term GHG emissions reduction targets for the group worldwide will be updated in 2024 according to the SBTi (Science Base Target initiative) framework; together with Egis' commitment to the SBTi. Egis intends to have these new 1.5°C-aligned targets validated by SBTi in 2025 at the latest.</p>		
	Strategy and action plan to reach the target:	<p>To reduce its main source of emissions, Egis is focusing on a travel-related action plan:</p> <ul style="list-style-type: none"> ▪ The deployment of a fleet of lower-emission vehicles and the necessary EV charging terminals. ▪ Targeted initiatives to encourage employees to take the train. ▪ The signature of a "sustainable mobility package" agreement covering France, aiming to increase the share of car-alternative modes. 		

	<p>Key factors/risks beyond the issuer's direct control that may affect the achievement of the SPTs:</p> <ul style="list-style-type: none"> ▪ Rapid/strong growth of the company worldwide, which may affect its capacity to pursue its emissions reductions trends. ▪ External factors such as the present European energy crisis by reinforcing the carbon content of purchased electricity and indirectly by limiting the exogenous decarbonation expected for the near future (for electricity and car fleets for example)
	<p>Recalculations or pro-forma adjustments of baselines</p> <p>Egis has defined a recalculation policy in its framework.</p>
SPT 1	
Analysis	The level of ambition of the SPT is assessed as follows:

(i) Against past performance:

The issuer provided 6 years of relevant historical data, including for the baseline year of 2016. Data has however only been verified from 2018 onwards. The data are shown in Table 1. Calculating the compound annual growth rate (CAGR) of the past performance shows that the issuer has observed an average yearly increase of 1.2% between 2016 and 2022 for KPI 1. However, it should be noted that this progression has not been linear. The period from 2016 to 2019 initially saw a -2.1% annual reduction, with an increase in 2017 that was due to growth of the group and extension of the scope of the carbon footprint. Meanwhile 2020 saw a significant decrease due to the impact of the Covid-19 pandemic which heavily restricted travel – the company's biggest source of emissions. The increases seen in 2021 and 2022 were caused by a post-covid uptake in business and therefore travel emissions.

TABLE 1.	2016 – BASELINE	2017	2018	2019	2020	2021	2022	2025 – SPT 1.1	2030 – SPT 1.2
Total GHG emissions (tCO₂e)	15 635	17 343	14 545	14 667	7 881	13 557	16 790	12 352	10 163
% Change from baseline	-	11%	-7%	-6%	-50%	-13%	7%	-21%	-35%
CAGR 2016 – 2022							1.2%		
CAGR 2022 – SPT								-9.7%	-6.1%
Turnover (€bn)	1	1.05	1.13	1.22	1.07	1.16	1.50		
Employees	13 800	13 600	14 850	15 800	15 500	16 200	18 492		

Source: EGIS Framework

Egis sets to achieve a reduction of GHG emissions of 21% by 2025 (SPT 1.1) and 35% by 2030 (SPT 1.2), both versus the 2016 baseline. Calculating the compound annual growth rate (CAGR) amounts to an average of 9.7% annual reduction between 2022 and 2025 (SPT 1.1) and 6.1% between 2022 and 2030 (SPT 1.2). It should be noted that the company is growing – both in terms of turnover and employees – and expects to keep doing so. Furthermore, as will be discussed in the context of KPI/SPT 2, Egis has set targets for increasing the perimeter of its carbon footprint assessment, and therefore the KPI. As such, because the reduction targets are in absolute terms, the effort required will be more significant.

Since the projected average annual reductions to achieve SPT 1 are quantitatively more significant than what has been observed historically, we conclude that the SPT is quantitatively ambitious against past performance, based on limited information due to the unverified nature of the baseline.

(ii) Against peers:

We conducted a benchmarking of the SPT set by Egis against a peer group of Engineering & Technical Consultancy companies with the NACE code 71.12, which included 55 companies (including the Issuer) as per the ISS ESG Universe.

Aside from Egis, only 4 other peers also set a target covering Scope 1, 2 & 3 emissions, thus placing Egis in the top 8% of companies in terms of setting a target.

A benchmark in terms of the company's current performance was also conducted. To do so, scope 1, 2 & 3 emission data of peers was considered, relative to their revenue in order to render the data comparable. On average peers emitted 366 tons of CO₂ per million euro of revenue versus 11 for Egis. However, this difference is too significant to suggest that Egis performs better. Instead, the likely implication is that peers within the group do not have a uniform GHG emissions reporting. In fact, Egis' carbon accounting notably does not include the emissions from the projects it consults on in its footprint. While this methodology is approved for SBTi validation according to the issuer, the results of the current performance benchmarking suggests that certain peers are in fact doing so.

Nonetheless, even when extending the comparison of Egis' target setting with peers using different scopes (i.e. only scope 1 & 2), only a total of 7 peers (including the issuer) set any GHG reduction target, placing Egis in the top 13%.

Therefore, we conclude that SPT 1 set by Egis is ambitious compared to industry peers in terms of setting a GHG emissions reduction target.

(iii) Against international targets:

Paris Agreement

Egis aims to deliver its commitment to the SBTi by end of 2023, so as to update its medium- and long-term GHG emissions reduction targets according to the SBTi framework in 2024. The company intends to have these new 1.5°C-aligned targets validated by SBTi in 2025 at the latest. However, in light of this specific framework and SPO, there is limited information to assess Egis' SBTi progression. Nonetheless, it should be noted that Egis has calibrated its trajectory according to the French National Low-Carbon Strategy (SNBC), which outlines the French roadmap for reducing greenhouse gas emissions (GHG). It notably defines a trajectory for reducing greenhouse gas emissions until 2050 and sets short to medium-term objectives in the form of carbon budgets.¹⁰ While this carbon reduction

¹⁰ London School of Economics, 2023, [Climate Change Laws of the World: National Low-Carbon Strategy \(SNBC\)](#)

roadmap was designed and adopted in before the Paris Agreement, it has since then been adapted and represents France's most up-to-date guidance for companies.

Thus, the SPT can be viewed as calibrated using trajectories defined as part of France's National Low-Carbon Strategy, limited since no independent assurance or verification has been provided.

3. Selection of KPI 2

KPI 2 – Carbon footprint assessment deployment rate

Opinion	<i>The KPI is relevant, core and moderately material to Egis’ business model and sustainability profile from an ESG perspective if issued alone, but material if issued on the same financial instrument as KPI 1. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable. It covers Egis’ group-wide activities.</i>
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Assessment	Not aligned	Aligned	Best Practice
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KPI 2 Characteristics and Features	KPI definition:	‘Deployment rate’ is calculated as the share of activities covered by Egis carbon footprint, calculated as ratio of turnover: $\frac{\text{Turnover of activities covered by carbon footprint}}{\text{Total Egis turnover}}$
	Scope and perimeter:	Egis’ carbon footprint assessment considers all relevant emissions from scope 1, 2 & 3. The perimeter from which the KPI is derived (i.e. denominator in the above fraction) is Egis’ group-wide activities.
	Quantifiable/Externally verifiable:	The KPI is quantifiable since it is calculated as a ratio of total turnover. It is externally verifiable as turnover is one of the most commonly tracked business metric. Furthermore, the company’s carbon footprint assessment refers to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).
	Externally verified:	The baseline and historical data for the KPI selected have been verified by a qualified third-party since 2018. The issuer commits to having the future data verified by an external reviewer as well.
	Benchmarkable:	By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is technically comparable with the data reported by other companies. Benchmarking of the SPT in relation to this KPI has been analyzed below.

KPI 2 Analysis	The KPI is considered:
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Relevant to Egis’ business as all industries are considered as exposed to climate change risks, even less carbon intensive ones.

Core to the issuer’s business as the accurate tracking of GHG emissions will enable reduction efforts which are expected to affect key processes and operations that are core to the business model of the issuer. Currently, Egis is collaborating with an external team of carbon specialists who performed a ‘gap analysis’ in order to identify the most carbon intensive activities not covered by the company’s

current carbon footprint methodology. The ultimate goal of this endeavor is to make sure that the company's carbon footprint will be compliant the latest SBTi Target Validation Protocol. Going forwards, Egis' regional & individual business units – most of which operate in a highly decentralized manner – will have to individually implement the results of this gap analysis. The company explains that this is therefore expected to mobilize a large part of their workforce, which will have to adopt new processes in order to accurately track emissions.

Moderately Material¹¹ to Egis' business model and sustainability profile from an ESG perspective if issued alone, but **Material** if issued on the same financial instrument as KPI 1:

- While the accurate tracking of GHG emissions is often a necessary precursor to reducing a company's emissions, it does not guarantee an absolute reduction of a company's emissions. As such, even though it aims to increase the deployment rate of Egis' carbon footprint and therefore improve its overall accuracy, KPI 2 alone is not material.
- However, KPI 1 aims to reduce GHG emissions stemming from all relevant Scope 1, 2 & 3 categories, and its perimeter currently corresponds to all engineering activities headquartered in France. As such in 2021, only 60.2% of the company's activities (calculated as a ratio of its total turnover) were covered by KPI 1. If paired with KPI 2 and its associated SPT, the perimeter covered by KPI 1 – and therefore the eventual emission reduction it would entail – would be larger. As such, KPI 2 can be considered as material if issued on the same financial instrument as KPI 1, which Egis commits to doing as long as KPI 2 remains relevant and the objective over the instrument's maturity remains ambitious (i.e. the coverage threshold set by SPT 2 has not been achieved).

¹¹ ISS ESG bases this analysis on the issuer's own emissions reporting and makes no comment on the quality or consistency of the issuer's Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol, or to established norms for the issuer's sector. ISS ESG notes that Scope 3 reporting may be different between companies in the same sector and does not undertake any benchmarking of an issuer's reporting.

4. Calibration of SPT 2

SPT 2 – Increase Carbon footprint assessment deployment rate

Opinion	<i>The SPT is (i) ambitious against the company's past performance, but there is (ii) limited information to assess ambition against industry peers, and (iii) in line with Egis' SBTi progression. The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the company's framework.</i>			
Level of Ambition	No Evidence	Limited	Good	Robust
SPT 2	SPT definition:	Increase Carbon footprint assessment deployment rate, according to interim targets.		
Characteristics and Features	Baseline performance and year:	80% deployment rate in 2022		
	Target performance and observation date:	<ul style="list-style-type: none"> ▪ 90% deployment rate by 2023 ▪ 95% deployment rate by 2024 Observed on the 31 st of December.		
	Trigger event:	Egis will assign structural and/or financial implications to the achievement or non-achievement of the pre-defined SPT(s) at the relevant Target Observation Date(s) specified in the financing documentation of the relevant Sustainability-Linked Financing Instrument.		
	Long-term target:	N/A		
	Strategy and action plan to reach the target:	Egis is collaborating with a team of carbon specialists who are performing a 'gap analysis' in order to identify the most carbon intensive activities not covered by the company's current carbon footprint methodology.		
	Key factors/risks beyond the issuer's direct control that may affect the achievement of the SPTs:	<ul style="list-style-type: none"> ▪ Rapid/strong growth of the company worldwide, which may affect its capacity to deploy its carbon footprint assessment fast enough 		
	Recalculations or pro-forma adjustments of baselines	Egis has defined a recalculation policy in its framework.		
SPT 2 Analysis	The level of ambition of the SPT is assessed as follows:			

(i) Against past performance:

The issuer provided 3 years of relevant historical data. Data has however only been verified from 2018 onwards. The data are shown in Table 2. Calculating the compound annual growth rate (CAGR) of the past performance shows that the issuer has achieved an annual increase of 4.90 percentage points in 2020 and 1.30 percentage points in 2021.

TABLE 2.	2019	2020	2021	2022	2023 – SPT 2.1	2024 – SPT 2.2
Carbon footprint deployment rate (in %)	54%	58.9%	60.2%	80%	90%	95%
Annual increase (in percentage point)		4.90 pp	1.30 pp	19.80 pp	10.00 pp	5.00 pp

Source: EGIS Framework

Egis sets to achieve a deployment rate of 90% by 2023 (SPT 2.1) and 95% by 2024 (SPT 2.2). This represents annual increases ranging between 10 and 5 percentage points, while this is on average quantitatively less significant than what has been observed in the past, Egis states that the last ‘uncovered’ emissions represent the most difficult to measure, thus requiring more effort and expenditure than previous improvements. Furthermore, as with KPI/SPT 1, the projected growth of the company also amplifies this difference.

Therefore, we conclude that the SPT is qualitatively ambitious against past performance.

(ii) Against peers:

We conducted a benchmarking of the SPT set by Egis against a peer group of Engineering & Technical Consultancy companies with the NACE code 71.12, which included 55 companies (including the Issuer) as per the ISS ESG Universe.

While setting GHG emission reduction targets (whether absolute or intensity ones) is being done increasingly across all industries, the act of setting targets on the coverage of a company’s carbon footprint is currently unique to the issuer. Furthermore, because information on the coverage rate (beyond the inclusion of Scope 1, 2, or 3) of companies’ carbon footprints is not readily available, the ability to judge Egis’ performance within its peer group is limited.

Therefore, we conclude that there is limited information to assess the ambition of this SPT against peers.

(iii) Against international targets:

Paris Agreement

As mentioned for SPT 1, Egis intends to have its GHG emissions reduction trajectory validated by the SBTi in 2025, with the objective to submit its letter of commitment by the end of 2023. Meanwhile, improving the coverage of its current carbon footprint assessment will be necessary for Egis to fulfill the SBTi’s criteria,¹² since the SPT is in line with commonly accepted emission coverage thresholds for targets with regards to the Paris Agreement. Furthermore, Egis commits to issuing KPI 1 & KPI 2 simultaneously, along with their respective targets, thus guaranteeing a holistic reduction of GHG emissions.

Therefore, the SPT can be viewed as being calibrated according to SBTi guidelines, and thus is compatible with the eventual alignment of Egis’ GHG reduction targets to the Paris agreement.

¹² Science Based Targets initiative, 2021, SBTi Criteria and Recommendations <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

5. Selection of KPI 3

KPI 3 – Share of eco-designed projects

Opinion	<p><i>The KPI is relevant, core and partially material to the issuer’s overall business. It is appropriately measurable, quantifiable, externally verifiable with limitations, not externally verified and not benchmarkable as it is unique to the issuer. It covers all projects which are ‘eco-designable’ – i.e., projects which in their nature and typology are identified by Egis as having the possibility to be eco-designed. This makes up 85% of the turnover of the engineering and consulting business lines, which is estimated as making up 67% of total 2021 turnover.</i></p>		
Assessment	Not aligned	Aligned	Best Practice
KPI 3	<p>Percentage share of turnover corresponding to eco-designed projects (out of all “eco-designable” projects – i.e., projects which in their nature and typology are identified by Egis as having the possibility to be eco-designed). An eco-designed project is defined as a project which reaches at least the second level of the referential on at least 4 of environmental themes: Low-carbon design, Infrastructure and territories resilience, Biodiversity, Soils artificialization, Pollution and nuisance, Circular economy, Energy and resources.</p>		
Characteristics and Features	KPI definition:	<p>The KPI scope and perimeter covers all projects which are ‘eco-designable’ – i.e., projects which in their nature and typology are identified by Egis as having the possibility to be eco-designed. This makes up 85% of the turnover of the engineering & consulting business lines, which is estimated as making up 67% of total 2021 turnover. The scope excludes operations business which makes 21% of total 2021 turnover.</p>	
	Scope and perimeter:	<p>The KPI is quantifiable since it is calculated as “sum of the sales of all the projects of the year carried out with an eco-design approach (as defined above) / eco-designable turnover of the year”. It is externally verifiable with limitations as the methodology used to assess whether a project is eco-designed is internal and specific to Egis.</p>	
	Quantifiable/Externally verifiable:	<p>The historical and baseline data for the KPI selected have not been verified by a qualified third-party. Nonetheless, issuer commits to having future data verified by external auditor.</p>	
	Externally verified:	<p>The KPI uses an internal assessment methodology which is unique to the issuer. Hence, the KPI is not benchmarkable.</p>	
	Benchmarkable:		
KPI 3	<p>The KPI is considered:</p>		
Analysis			

Relevant to Egis's business as eco-design involves energy efficiency and impact on land use and biodiversity which are key ESG issues faced by Construction industry according to key ESG standards¹³ for reporting and ISS ESG assessment. According to a European Commission report, more than 80% of the environmental impact of a product is determined at the design stage¹⁴. In addition, infrastructure is responsible for more than 79% of global greenhouse gases and consumes 60% of the world's materials, as reported by Global Infrastructure Hub¹⁵. According to Organization for Economic Co-operation and Development (OECD), integrating environmental considerations into the planning and design of infrastructure helps avoid, minimize, and mitigate the risks posed by environmental hazards such as flooding, landslides, fires, earthquakes, and heatwaves over the lifetime of the infrastructure asset, improving the reliability of service provision, increasing asset life, and protecting asset returns¹⁶.

Core to the issuer's business as embedding an eco-design approach into its engineering and consulting services will affect key processes and operations at Egis. The company will develop a transformation process across its activities to deploy Act4ecodesign framework in its services. The framework aims to embed the following environmental themes in its engineering and consulting projects: Low-carbon design, Infrastructure and territories resilience, Biodiversity, Soils artificialization, Pollution and nuisance, Circular economy, Energy and resources. Each project manager is responsible to implement the eco-design framework and report on its implementation, which make up 10 000+ projects per year according to Egis. To support this implementation, Egis will also develop IT tools and data infrastructure, as well as training program and top management bonus scheme based on eco-design deployment.

Partially Material to Egis's business model and sustainability profile from an ESG perspective:

- The KPI covers 85% of the turnover of the engineering & consulting business lines, which is estimated as making up 67% of total 2021 turnover. The company explains that the KPI scope covers only activities which it identifies as 'eco-designable' – i.e., activities which in its nature and typology can be eco-designed. This means any activity in engineering and consulting business line on which Egis can provide an eco-design is considered under the scope of this KPI. Activities which are out of scope are those which the company has identified with no possibility to be eco-designed, such as fields surveys, legal advice services, assistance to the concertation around a major project, execution review and visa, construction supervision and IT software solution (i.e., building information model). In addition, the operations business which involves infrastructure operation and mobility and new services, such as road operating, airports, urban parking lots, tolling and speed enforcement solutions and carpooling lane services, is not included in the scope of this KPI. Egis confirms that operations business includes activities that are designed by Egis but also activities that are not necessarily designed by Egis. Thus, if for the same infrastructure they have a design mission and then an operation mission, the design mission is well integrated to the engineering perimeter and the operation mission to the operation activities – to avoid double counting in revenues. The company confirms that it considers the protection of the environment through an environmental management system in its operations business, where it is monitored with

¹³ Key ESG Standards include SASB and TCFD, among others.

¹⁴ European Commission, 2014, [Ecodesign your future: How ecodesign can help environment by making products smarter](#),

¹⁵ Global Infrastructure Hub, 2023, [Infrastructure and the Circular Economy](#)

¹⁶ Organization for Economic Co-operation and Development (OECD), 2019, [OECD Reference Note on Environmental and Social Considerations in Quality Infrastructure](#)

regards to receiving ISO 14001 and/or ISO 50001. For airports operation, it also considers Airport Carbon Accreditation (ACA), a global carbon management program for airports that assesses and recognizes airports' efforts to manage and reduce their CO₂ emissions, with an action plan to have all 17 operated airports (as of 2021) receiving a minimum level 3 'Optimization' of ACA by 2025 and 2030 (which requires third party engagement in carbon footprint reduction, including airlines and various service providers, for example, independent ground handlers, catering companies, air traffic control and others working on the airport site) and progressively increase the level of ACA certification for all operated airports. Though it is important to note these activities are mainly carbon-intensive infrastructure (road operating, airports) – meaning that this KPI will not address the impact on the environment related to Egis's operation business.

- When designing a project that follows the Act4ecodesign framework, Egis will integrate the following environmental themes in its eco-design approach: Low-carbon design, Infrastructure and territories resilience, Biodiversity, Soils artificialization, Pollution and nuisance, Circular economy, Energy and resources. More specifically this will include the following criteria: waste and materials management, preservation of resources, preservation of biodiversity, landscape integration, water management, maintenance and durability, global cost considering the entire life cycle of the project, GHG emissions, pollution, and energy management. Egis considers the criteria from the start of the project, its construction, operation use until the end of life (deconstruction). Nonetheless, Egis highlights that a project can be assessed as eco-designed even without having the end-of-life process evaluated.
- For a project to be considered eco-designed, the project needs to reach level 2 performance on at least four of seven environmental themes (Low-carbon design, Infrastructure and territories resilience, Biodiversity, Soils artificialization, Pollution and nuisance, Circular economy, Energy and resources). This is based on an internal methodology to assess the project on its level of performance to the seven environmental themes mentioned above. Egis assigns the project one of the four performance levels on the environmental themes as per its eco-design assessment (level 1 being the lowest performance level while level 4 being the highest performance level). For the project to be assigned level 1 on eco-design performance, Egis assesses if it conducts a flash diagnosis of environmental impact assessment with measurement of environmental footprint for at least four of environmental themes. Level 2 is assigned to projects which fulfill level 1 in addition to having an impact reduction action plan and associated objectives. Level 3 is assigned to projects which fulfill level 2 in addition to monitoring the implementation of the action plan with 2 environmental themes with neutral impact or best possible performance based on available technologies for 2 environmental themes. Level 4 is assigned to projects which fulfill Level 3 in addition to setting objectives and action plan to obtain 2 positive impacts on at least 2 themes, or best possible performance based on available technologies for 4 environmental aspects. Hence, Egis considers a project eco-designed if it develops an impact reduction action plan and associated objectives after conducting a flash diagnosis of environmental impact assessment with measurement of environmental footprint at level 1 of this Act4Ecodesign Framework. Nonetheless, it is important to note that to reach this KPI it is sufficient that an action plan is in place without necessitating that the action plan is implemented and monitored as required in level 3 and level 4 of the Act4Ecodesign Framework.

6. Calibration of SPT 3

SPT 3 is defined as having 100% of projects eco-designed by FY 2030

Opinion	<i>Egis' SPT's is (i) ambitious against past performance, based on limited evidence, (ii) and ambitious against industry peers, limited due to a lack in comparability with other targets, and (iii) there is limited information to conclude on the ambition against international target. The target is set on a clear timeline and is supported by a strategy and action plan disclosed in the company's framework.</i>			
Level of Ambition	No Evidence	Limited	Good	Robust
SPT 1	SPT definition:	100% of projects will be eco-designed for the year ended December 31, 2030 ¹⁷ , versus the baseline in 2022.		
Characteristics and Features	Baseline performance and year:	2022: 40.8% of projects		
	Target performance and observation date:	<ul style="list-style-type: none"> 100% projects to be eco-designed in 2030 <p>Observed on the 31st of December.</p>		
	Trigger event:	Egis will assign structural and/or financial implications to the achievement or non-achievement of the pre-defined SPT(s) at the relevant Target Observation Date(s) specified in the financing documentation of the relevant Sustainability-Linked Financing Instrument.		
	Strategy and action plan to reach the target:	<p>To facilitate the deployment of eco-designed projects, Egis' corporate sustainable department is focusing its efforts on four key levers for action:</p> <ul style="list-style-type: none"> Mobilize the transformation by a network of Climate Managers and coordinators in all business lines and regions Develop tools and training programs¹⁸ to facilitate eco-design development I.T investment to provide tools and data infrastructure to support framework deployment rate Create a top management performance bonus based on eco-design deployment 		
	Key factors/risks beyond the issuer's direct control that may affect the achievement of the SPTs:	<p>Factors to support the target:</p> <ul style="list-style-type: none"> Environmental regulations in countries where Egis operates in, or commitments made by Egis' clients. <p>Risks to the target:</p> <ul style="list-style-type: none"> If clients do not recognize the value of eco-design projects, project management might be reluctant to implement them, hence adding challenges to reach the project deployment rate. 		

¹⁷ 100% of projects completed in 2030 will achieve a minimum level 2 performance.

¹⁸ Egis stated that the eco design training course budget consists of >25% of the total training budget for 2023.

	Recalculations or pro-forma adjustments of baselines	While according to the issuer the SPT should be recalculated or adjusted to reflect any material or structural changes to the issuer or any external parameters, such calculation methodology changes will be externally verified and communicated within non-financial performance statement or on the issuer's website.
SPT 1 Analysis	The level of ambition of the SPT is assessed as follows:	

(i) Against past performance:

The issuer has provided 1 year of relevant historical data¹⁹ – the baseline year of 2022. The issuer aims to achieve a minimum of level 2 performance on 100% of projects completed in 2030, a higher expectation than the 60% completion rate which includes level 1 performance projects in 2020.

Therefore, from a qualitative perspective, SPT 3 is more ambitious than the Issuer's past performance, based on limited evidence since only 1 year of past performance is provided.

(ii) Against peers:

The issuer provided 4 comparable peers for the benchmarking of this SPT: Aecom, Arup, Systra, and Artelia Group.

In terms of carrying out an eco-design approach, Aecom has developed ScopeX²⁰, a digital platform designed to reduce carbon footprint on major projects. Arup has also developed SPeAR²¹ (Sustainability Project Appraisal Routine) to help client to develop sustainability buildings and sustainable infrastructure. Regarding methodology use, both Systra²² and Artelia Group²³ have eco-design project frameworks to facilitate sustainable development and environmentally friendly projects. In terms of setting eco-design projects turnover target, Egis has a concrete target (2030 target already publicly available in 2022 non-financial performance statement²⁴), Artelia Group has also set a target of submitting 100% of commercial proposals for design and works supervision assignments to an assessment using an in-house CSR grid. Since increasing the share of eco-design approach are company-specific initiatives, the content between the peer companies and the issuer was not specifically compared.

Moreover, according to the company, since there is an absence of industry standard for comparison, benchmarking the target with peers is limited.

Nonetheless, the SPT set by Egis can be viewed as ambitious against peers in terms of defining a target, limited due to the lack in comparability with targets set by peers in the future.

¹⁹ 60%, an estimated share of level 1 eco-designed projects completed in 2021.

²⁰ AECOM, Solving for carbon: ScopeX, <https://publications.aecom.com/sustainable-legacies/product/solving-for-carbon-scope-x>

²¹ Arup, Flexible and robust sustainability decision-making tool, <https://www.arup.com/projects/spear>

²² Systra, Environment, <https://www.systra.com/engagements/notre-politique-environnementale/>

²³ Artelia Group, ARTELIA Environment, <https://www.arteliagroup.com/en/expertise/business-boosters/artelia-environment>

²⁴ Egis, Non-financial performance statement, <https://fr.calameo.com/egis/read/004024910b0183b4ebb1d>

(iii) Against international targets:

Given the absence of quantified international targets for the industry in apply eco-design methodology in project deployment, there is limited information available to assess the level of ambition of Egis' SPT against international targets, which is not attributable to the issuer.

7. Selection of KPI 4

KPI 4 – Share of the target population having followed the eco-design training during the year

Opinion	<i>The KPI is relevant, core and material to the issuer’s overall business. It is appropriately measurable, quantifiable, externally verifiable. The KPI is not externally verified but the company commits to having the baseline and future data verified by an external reviewer. The KPI is not benchmarkable because the content of the training program is specific to Egis’s eco-design framework. It covers a target population within the consulting and engineering business. In 2022, the target population corresponded to about 35% of employees in engineering & consulting activities (which make up about 63% of total employees of the Group).</i>		
Assessment	Not aligned	Aligned	Best Practice
	KPI definition:	Share of the target population having followed the eco-design training during the year	
	Scope and perimeter:	The KPI covers a target population within the consulting and engineering business. In 2022, the target population corresponded to about 35% of employees in engineering & consulting activities (which make up about 63% of total employees of the Group). This corresponds to 22% of company’s overall workforce trained under this KPI as of 2022.	
	Quantifiable/Externally verifiable:	The KPI is quantifiable and externally verifiable. It is calculated as “Number of people in the target population who have followed training program / total target population) X 100”.	
	Externally verified:	Baseline data for the KPI selected have not yet been verified by a qualified third-party. Nonetheless, the issuer commits to having baseline and future data verified by an external reviewer.	
	Benchmarkable:	The KPI is not benchmarkable because the content of the training program is specific to Egis’s eco-design framework.	
KPI 4 Analysis	The KPI is considered:		

Relevant to Egis’s business as this KPI is designed to deliver a training program for Egis’s workforce target group on eco-design, complementing Egis’s KPI 3 focused on embedding eco-design in its engineering and consulting services. As mentioned in the assessment of KPI 3, eco-design involves energy efficiency and impact on land use and biodiversity which are key ESG issues faced by Construction industry according to key ESG standards²⁵ for reporting and ISS ESG assessment.

Core to the issuer’s business as it affects key processes and operations that are core to the business model of the issuer. This KPI is focused on deploying a training program for a target group within Egis’s workforce to support the transformation process for delivering eco-designed projects in engineering and consulting services.

²⁵ Key ESG Standards include SASB and TCFD, among others.

Material to Egis's business model and sustainability profile from an ESG perspective:

- The KPI focuses on deploying a training program for a target group within Egis's workforce to support in the transformation process for delivering eco-designed projects in engineering and consulting services.
- The target population corresponds to employees in charge of 'promoting & selling' eco-design to the clients or the employees responsible for 'implementing' eco-design in the projects. This concerns employees within the engineering and consulting services including commercials, director and project managers, design engineers. In 2022, the target group made up about 35% of employees in engineering & consulting activities (which make up about 63% of total employees of the company).
- The training program takes around 13 hours to be completed, except for sales representatives who are required to complete a 2 hour and a half training. The training program includes modules on the following topics: carbon footprint, physical risks and adaptation to climate change, biodiversity and artificialization, pollution, circular economy, and energy consumption. These topics complement the environmental themes which Egis aims to integrate within its eco-design approach covered by KPI 3. All modules end with a test where a passing grade of 80% is required to validate the module.
- This training is intended to provide the target population, which are mainly engineers and project managers, with an understanding of the issues at stake, the concepts and the lever of actions required to implement eco-designed projects and how to measure the global performance on these projects (including the tools & databases available to do that). This training intends to mainstream eco-design at the heart of engineering activity. The target population is then expected to apply the knowledge learned in the training to the projects.
- This KPI is designed as 'enabler' for KPI 3, nonetheless it goes beyond KPI 3 by training the target population to gain knowledge and skills that help them in reaching the highest level of performance on KPI 3.

8. Calibration of SPT 4

SPT 4 is defined as having 90% of Egis employees in the target population to be trained on eco-design by 2025

Opinion	<i>The SPT is (i) ambitious against the company's past performance, (ii) ambitious against industry peers, based on limited information, and (iii) there is limited information to conclude on ambition against international target. The target is set in a on a clear timeline and is supported by a strategy and action plan disclosed in the company's framework.</i>			
Level of Ambition	No Evidence	Limited	Good	Robust
SPT 1	SPT definition:	Having 90% of Egis employees in the target population, 4 000 employees, to be trained on eco-design.		
Characteristics and Features	Baseline performance and year:	4.2% of target employees trained with Eco-design in 2022		
	Target performance and observation date:	<ul style="list-style-type: none"> 90% employees within the target population to be trained on eco-design <p>Observed on December 31, 2025.</p>		
	Trigger event:	Egis will assign structural and/or financial implications to the achievement or non-achievement of the pre-defined SPT(s) at the relevant Target Observation Date(s) specified in the financing documentation of the relevant Sustainability-Linked Financing Instrument.		
	Strategy and action plan to reach the target:	<p>To increase the % of target employees to be trained on eco-design, Egis has several levers that can be grouped in the following categories:</p> <ul style="list-style-type: none"> Develop an approach and reference system, along with environmental objectives to increase the % of target employees trained on eco-design methodologies Built and deploy specific e-learning training program dedicated to director and project managers and sales representatives. 		
	Key factors/risks beyond the issuer's direct control that may affect the achievement of the SPTs:	<p>Factors to support the target:</p> <ul style="list-style-type: none"> Market pressure from stricter environmental regulations. The emergence of European taxonomy is shifting the investments towards projects with higher levels of environmental protection. 		
	Recalculations or pro-forma adjustments of baselines	While according to the issuer the SPT should be recalculated or adjusted to reflect any material or structural changes to the issuer or any external parameters, such calculation methodology changes will be externally verified and communicated within non-financial performance statement or on the issuer's website.		

SPT 1

Analysis

The level of ambition of the SPT is assessed as follows:

(i) Against past performance:

The issuer provided 1 years of relevant historical data –the baseline year of 2022. However, this is at no fault of the issuer, since the KPI and its associated initiatives did not exist prior to 2022. 2022 performance and targets can be seen in table 4.

TABLE 1.	2022 - BASELINE	2023	2024	2025 - TARGET
Target %	4.2%	35%	70%	90%
Yearly change in percentage point		30.8 pp	35 pp	20 pp
Change in percentage point (2023 – 2025)				85.8 pp

Source: Egis Sustainable Financing Framework

Egis sets SPT 4 to achieve 90% of target employees to be trained in eco-design project in 2025 compared to a 2022 baseline. Since this is a greenfield project commenced in 2022, Egis achieved 4.2% increase in year 1. Meanwhile, between 2023-2025, Egis needs to achieve an increase of 85.8 percentage points, which represents an annual average increase of 28.6 pp.

Therefore, from a quantitative perspective, SPT 4 is more ambitious compared to Egis’ past performance.

(ii) Against peers:

The same peer group provided by Egis in the context of SPT 3 was used for this assessment.

Artelia Group has set a 100% target for all project managers to be trained in eco-design and environmental issues on worksite, increasing from a baseline of 17% in 2021. Meanwhile, none of the 3 other peers have set such targets. However, it should be noted that the benchmark for successfully training an employee in eco-design may very well differ between the 2 companies and is likely to be the case for all future peers setting targets (e.g., training content might differ, target population might differ, etc.).

Nonetheless, SPT 4 can be viewed as ambitious against peers in terms of setting a target, limited by the benchmarkability for this type of indicator.

(iii) Against international targets:

Given the absence of quantified international targets for the industry on increasing the share of target workforce to be trained on eco-design methodology, there is limited information available to assess ambition of Egis’ SPT against international targets, which is not attributable to the issuer.

PART 3: LINKING THE TRANSACTION TO EGIS' ESG PROFILE

A. CONSISTENCY OF SUSTAINABILITY-LINKED INSTRUMENTS WITH EGIS GROUP'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Egis has developed a 2021-2026 Corporate Social Responsibility Roadmap in its Non-financial performance Statement²⁶ encompassing the following 3 elements:

Environmental Commitments

- Reduce harm to the environment through offering eco-design solutions and services that meet the challenges of climate change and ease the shift to renewable energy.
- To support clients in addressing the risks arising from climate change, Egis is investing in databases and tools to ensure projects will incorporate climate risk consideration. For instance, Egis has decided to conduct climate vulnerability studies in all engineering projects in 2021.
- Egis is pursuing Research & Development activities, and innovation policy to mitigate climate change and the erosion of biodiversity. In addition, starting in 2021, Egis had revised project involvement criteria, excluding projects directly linked to the mining or use of coal.

Responsible growth

- Egis will reinforce ethical behavior in line with the group's values and ensure the business practices comply with national and international integrity regulations. The group's ethics program includes processes in combating against money laundering in investment operations, establishing a corruption risk map for all Egis entities, and the group has implemented a new whistleblowing platform.
- Egis aims to maintain responsible IT and security systems for clients and employees, with practices such as protecting employees' and clients' data, and set up a green, sustainable, and energy-efficient approach to IT. Also, Egis has deployed a cyber security program to promote best practices for professional and private data protection.
- Egis has developed a Sustainable Development Orientation Committee to discuss and improve the sustainable development and CSR policies with key stakeholders.

Developing talents

- Egis is dedicated to maintaining a talented, technical, and diverse team by continuously developing their employees' skills. The company is pursuing an equality and diversity policy, and has set up indicators such as gender equality, gender pay gap, distribution of male and female employees, proportion of women in governance bodies. Regarding skill development, Egis deployed eco-design and environmental management training program to upskill employees' knowledge in environmental impact mitigation.

²⁶ Egis, Non-financial Performance Statement 2021, <https://fr.calameo.com/egis/read/004024910b0183b4ebb1d>

Consistency with KPIs

KPI 1: Egis has pledged to reduce greenhouse gas emissions to contribute to carbon neutrality. KPI 1 focuses on reducing the company's absolute scope 1, 2, & 3 emissions, and is therefore consistent with its sustainability strategy.

KPI 2: Egis has pledged to reduce greenhouse gas emissions to contribute to carbon neutrality. KPI 2 focuses on increasing carbon footprint assessment deployment rate and is therefore consistent with its sustainability strategy.

KPI 3: Egis has pledged to reduce the emissions of client's projects and limit their impact on biodiversity to achieve carbon neutrality. KPI 3 focuses on increasing the share of eco-designed projects for the clients and is therefore consistent with its sustainability strategy.

KPI 4: Egis is committed to develop training program with focuses in eco-design and environmental management for employees. KPI4 focuses in increasing the proportion of employees trained in project eco-design and is therefore consistent with its sustainability strategy.

B. EGIS GROUP'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The issuer is classified in the Construction industry, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Labor standards and working conditions
Energy and resource efficiency
Impact on land use and biodiversity
Business ethics
Protection of human rights and community outreach

ESG strengths and points of attention related to the issuer's disclosures

Leveraging ISS ESG's Research, ISS ESG identified the following strengths and points of attention²⁷:

STRENGTHS	POINTS OF ATTENTION
The company has a Health and Safety Management System that is certified to ISO 45001 standards for its employees.	The company has disclosed employee accident frequency rates. However, the data is only available for operations in France. Further, there is no information on contractor accident rates and fatalities and the integration of contractors' safety into the health and safety management system.
The company is a member of the United Nations Global Compact (UNGC) indicating its commitment to freedom of association and collective bargaining, non-discrimination, human rights, and anti-corruption.	The company is a member of the United Nations Global Compact (UNGC) which covers its commitment to protecting human rights, however, there is no disclosure regarding due diligence procedures specific to human rights and practices to ensure freedom of association in countries with legal/factual limitations, such as India.

²⁷ Please note that Egis Group is not part of the ISS ESG Corporate Rating Universe. Thus, the information is based on a disclosure review conducted by the analyst in charge of the construction industry sector, based on publicly available information exclusively. No direct communication between the Issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

	Also, there is no information available on the company's approach to community outreach and consultation on the environmental and social impacts of its projects e.g., feedback mechanisms for public consultation or grievance procedures.
The company has disclosed supplier standard which refers to the adherence to the ILO Declaration on Fundamental Principles and Rights at Work and covers aspects such as child labor, forced labor, freedom of association, discrimination, and health and safety.	The company conducts supplier risk assessments and has stated some procedures in case of non-compliance. However, no detailed information is available on off-site or on-site audits to check compliance of key suppliers or the availability of anonymous and confidential non-compliance reporting channels for third- party workers.
The company has disclosed a code of conduct for all its employees covering basic ethical issues such as corruption, antitrust violations, insider trading, and conflicts of interest. Furthermore, the company has disclosed compliance procedure that includes publishing the code of ethics in the local language, raising business ethics awareness through compliance training, facilitating confidential non-compliance reporting channels, and conducting anti-corruption due diligence on third parties.	The company has disclosed a general biodiversity protection commitment and supports an international biodiversity coalition - Act4Nature International. However, limited information is available regarding its measures on biodiversity conservation and responsible land use.
Regarding company's energy and resource efficiency measures in construction activities, the company has reported implementation of some measures to increase water efficiency such as reuse of wastewater and optimized water use processes and energy efficiency such as use of renewable energy, sustainable mobility plan, low emission fleet, staff training, etc.	The company has not provided any information regarding energy efficiency and water use minimization of buildings and structures, and use of renewable energy sources (procurement/production) in its buildings.
	The company discloses its inventory on almost all environmental performance indicators such as energy, water, waste and GHG Emissions. However, the data only covers their France and Latin American operations only.

Please note that the consistency between the issuance subject to this report and the issuer's sustainability strategy is further detailed in Part 3.B of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product and services characteristics and does not include practices along the issuer's production/services process.

Social Impact of Product Portfolio:

Egis Group (Egis) provides consulting, engineering, and operating solutions in the sector of construction engineering and mobility services. The company has a global presence in Europe, the Middle East, India, Latin America, Africa, and Asia-Pacific. The products and services of the company includes operation of public transportation infrastructure such as metro and light rail transit that contributes to meeting social SDGs by providing basic services. However, due to limited information, the size of the impact cannot be estimated.

Environmental Impact of Product Portfolio:

The company also has projects in public transportation infrastructure such as metro and light rail transit, eco-restoration projects, and sustainable buildings that contributes to meeting environmental SDGs of mitigating climate change, affordable and clean energy, and sustainable cities and communities. Further, the company's service portfolio also includes operation of airports and construction of and/or related services for nuclear power plants that obstruct SDG goals of mitigating climate change and preserving terrestrial ecosystems respectively. However, due to limited information, the overall size of the impact cannot be estimated.

Breaches of international norms and ESG controversies

At issuer level

At the date of publication, ISS ESG has not identified any controversy in which the issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the construction industry are as follows: Anti-competitive behavior, Failure to assess environmental impacts, and Poor stakeholder consultation.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

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ANNEX 1: ISS ESG Corporate Rating

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments.

For more information, please visit:

<https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf>

ANNEX 2: Methodology

Alignment of the concept set for transactions against the Sustainability-Linked Bond Principles, as administered by ICMA

The Sustainability-Linked Financing Framework of Egis, as well as the concept and processes for issuance have been reviewed against the Sustainability-Linked Bond Principles administered by the ICMA / Sustainability-Linked Loan Principles by the LMA. Those principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond / Loan market by clarifying the approach for issuance.

The alignment of the concept of the Egis' issuance has been reviewed against the mandatory and necessary requirements as per the Appendix II - SLB Disclosure Data Checklist of those principles, and against the encouraged practices as suggested by the core content of the Principles.

Analysis of the KPI selection and associated SPT

In line with the voluntary guidance provided by the Sustainability-Linked Bond Principles / Sustainability-Linked Loan Principles, an in-depth analysis of the sustainability credibility of the KPI selected and associated SPT has been conducted.

The analysis has determined whether the KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy thanks to ISS long-standing expertise in evaluating corporate sustainability performance and strategy. The analysis also reviewed whether the KPI is appropriately measurable by referring to key GHG reporting protocols and against acknowledged benchmarks.

The ambition of the SPT has been analyzed against the issuer's own past performance (according to issuer's reported data), against the issuer's industry peers (for example per ISS ESG Peer Universe data), and against international benchmarks (such as the Paris agreement). Finally, the measurability and comparability of the SPT, and the supporting strategy and action plan of the issuer have been evaluated.

Not Aligned	Aligned	Best Practice
The KPI is not aligned if one of the core requirement from the SLBP selection of KPIs section is not satisfied.	The KPI is aligned if all the core requirements from the SLBP selection of KPIs section are satisfied.	The KPI follows best practice if all the core requirements from the SLLP selection of KPIs section are satisfied and if the KPI is fully material and follows best-market practices in terms of benchmarkability.

The ambition of the SPT has been analyzed against the Issuer’s own past performance (according to Issuer’s reported data), against the Issuer’s industry peers (for example per ISS ESG Peer Universe data), and against international benchmarks such as the Paris agreement (based on data from the Transition Pathway Initiative or Science-Based Targets initiative). Finally, the measurability and comparability of the SPT, and the supporting strategy and action plan of the Issuer have been evaluated.

Based on the factors derived from the SLBP and using a proprietary methodology, the SPT selection assessment is classified on a 4-level scale:

No Evidence	Limited	Good	Robust
If none of the three dimensions (past performance, industry peers and international benchmarks) are positively assessed.	If the SPT is ambitious against only one of the three dimensions.	If the SPT is ambitious against two of the three dimensions.	If the SPT is ambitious against all the dimensions.

ANNEX 3: Quality management processes

SCOPE

Egis commissioned ICS to compile a Sustainability-Linked Instruments SPO. The Second Party Opinion process includes verifying whether the Sustainability-Linked Financing Framework aligns with the ICMA Sustainability-Linked Bond Principles / LMA Sustainability-Linked Loan Principles and to assess the sustainability credentials of its Sustainability-Linked Instruments, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Sustainability-Linked Bond Principles
- LMA Sustainability-Linked Loan Principles

ISSUER'S RESPONSIBILITY

Egis' responsibility was to provide information and documentation on:

- Sustainability-Linked Financing Framework

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Sustainability-Linked Instruments to be issued by Egis has been conducted based on a proprietary methodology and in line with the ICMA Sustainability-Linked Bond Principles / LMA Sustainability Loan Principles.

The engagement with Egis took place from January to June 2023.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About the SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyze the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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