

# Corporate ESG Rating Certificate for SPCM SA

SPCM SA has solicited us to conduct an independent ESG and sustainability rating.

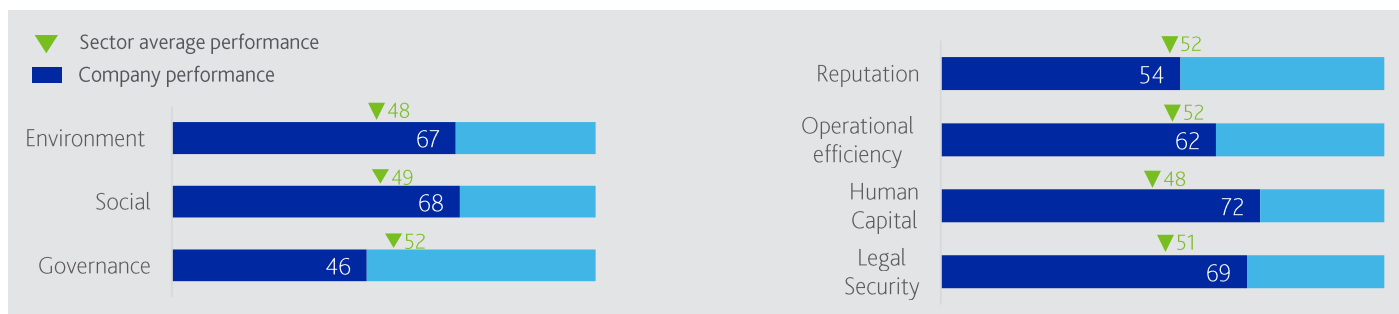
As of July 2022, SPCM obtains an A1 rating, based on an overall score of 63/100. The company's overall score has increased by 3 points since our 2021 review. This is mainly achieved thanks to positive results linked to measures to address environmental impacts. SPCM still displays strong capacity to integrate ESG factors into its strategy, operations, and risk management, with advanced results on managing risks related to operational efficiency, human capital and legal security, and robust results with regards to reputation risk management.



Rank in Sector	5/40
Rank in Region	123/1606
Rank in Universe	132/4882

ESG Reporting Rate	96%
Sector Average	80%

## ESG AND RISKS MANAGEMENT PERFORMANCE (./100)



## KEY TAKEAWAYS

**Impacts:** SPCM has a significant share of products (40% of sales) contributing to sustainable development by enabling municipal and industrial water treatment. Environmental KPIs (including energy and water consumption, GHG and wastewater emissions) display positive results, while social ones (in terms of health and safety, diversity, and training) reveal mixed trends.

**Risks:** SPCM's risk management system appears to cover its most material ESG risks. The company displays Advanced capacity to safeguard its human capital cohesion, legal security and operational efficiency, while subjects affecting reputation are addressed in a robust manner.

**Management:** SPCM appears to fairly integrate ESG factors into its strategy and operations, although few quantitative targets underpin its strategy. Robust to Advanced means and processes address the group's most material challenges, except in Corporate Governance. SPCM currently faces a single controversy and has been responsive to it.

This issuer-solicited corporate ESG rating was produced using research about SPCM from our database as well as interviews with 8 directors and managers and two employee representatives from SPCM, conducted between June 22<sup>nd</sup> and June 27<sup>th</sup>, 2022.

Our 18 pages assessment report was delivered on 20/07/2022, covering 6 domains and 24 sustainability drivers. It is structured around 3 key pillars:

1. The social and environmental impacts of SPCM's products and services, its strategy for the future, and its ability to invest in and create sustainable value;
2. SPCM's capacity to identify and mitigate its ESG risks and to preserve and increase the value of its strategic assets (including reputation, human capital, operational efficiency and legal security);
3. The strategic and operational integration of social responsibility topics in SPCM's governance, operations and reporting, including the balance and dynamics of stakeholder relationships.

Our analysis aims to inform investors, asset managers and other relevant stakeholders of the nature, weighting and level of integration of ESG factors by SPCM, as well as its ability to identify and mitigate related risks.

SPCM SA serves as the holding company to the SNF Group. With 21 production sites, including eight primary plants (two in the USA, one in France, two in China, one in South Korea and two in India), the SNF Group provides polyacrylamide, a water-soluble specialty chemical used in water treatment, mineral extraction, pulp and paper manufacturing, and other industries, as well as in oil and gas applications. The SNF Group also offers other specialty chemicals, such as coagulants, dispersants, and mining reagents. SNF was founded in 1978 and is headquartered in Andrézieux-Bouthéon, France.

Brussels, July 20<sup>th</sup>, 2022

Vincent Allilaire  
*Sustainability Rating Product Manager*



Baptiste Debue  
*Sustainability Rating Analyst*



## Disclaimer

© 2022 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc., Four Twenty Seven, Inc. ("Four Twenty Seven"), Vigeo SAS ("V.E") and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

V.E provides its customers with data, information, research, analyses, reports, quantitative model-based scores, assessments and/or other opinions (collectively, "V.E's Research") with respect to the environmental, social and/or governance ("ESG") attributes and/or performance of individual issuers or with respect to sectors, activities, regions, stakeholders, states or specific themes. Four Twenty Seven provides its customers with data, analytics and other solutions (collectively, "Four Twenty Seven's Research") with respect to the physical climate and environmental risks associated with individual facilities, individual issuers, sectors and geographical boundaries.

V.E'S RESEARCH AND FOUR TWENTY SEVEN'S RESEARCH DO NOT ADDRESS NON-ESG FACTORS AND/OR RISKS, INCLUDING BUT NOT LIMITED TO: CREDIT RISK, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. V.E'S AND FOUR TWENTY SEVEN'S ASSESSMENTS AND OTHER OPINIONS INCLUDED IN V.E'S AND FOUR TWENTY SEVEN'S RESEARCH ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. V.E'S RESEARCH AND FOUR TWENTY SEVEN'S RESEARCH: (i) DO NOT CONSTITUTE OR PROVIDE CREDIT RATINGS OR INVESTMENT OR FINANCIAL ADVICE; (ii) ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES; AND (iii) DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. V.E AND FOUR TWENTY SEVEN ISSUE THEIR RESEARCH WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS, AND FOUR TWENTY SEVEN'S RESEARCH AND V.E'S RESEARCH ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS, OR FOUR TWENTY SEVEN'S RESEARCH OR V.E'S RESEARCH WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS, AND FOUR TWENTY SEVEN'S RESEARCH AND V.E'S RESEARCH ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications or Four Twenty Seven's Research or V.E's Research.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION, INFORMATION, OR RESEARCH IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody.com](http://www.moody.com) under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

**Additional terms for Australia only:** Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

**Additional terms for Japan only:** Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively. MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

**Additional terms for PRC only:** Any Second Party Opinion, Climate Bond Initiative (CBI) Verification Report or other opinion issued by V.E: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

**Additional terms for Hong Kong only:** Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.