

## Sustainability Rating Certificate for SPCM SA

SPCM SA (SPCM) has solicited Vigeo Eiris to conduct an independent ESG and sustainability rating.

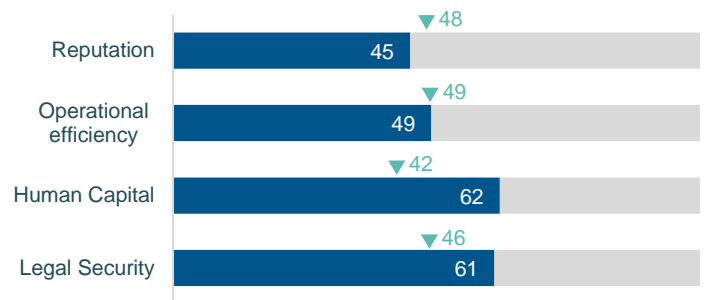
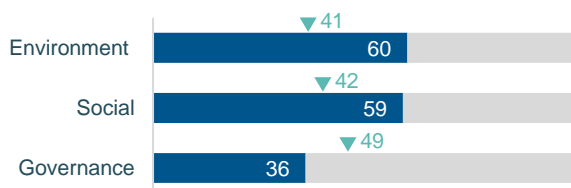
As of July 2020, SPCM obtains an A2 rating, based on an overall score of 54/100. SPCM displays a strong willingness and capacity to integrate ESG factors into its strategy, operations and risk management, with robust results on managing risks related to human capital and legal security, and a more limited performance on those related to reputation and operational efficiency.



Rank in Sector	12/38
Rank in Region	225/1608
Rank in Universe	264/4829

ESG Reporting Rate	92%
Sector average	75%

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



Sector average  
 Company performance

### KEY TAKEAWAYS

**Impacts:** SPCM has a significant share of products (between 21 and 41%) that contributes to sustainable development by enabling municipal water treatment. Although the Company has an important market share in its business, its development plans should lead to an increase in net employment in the coming years. KPIs demonstrating its environmental footprint (in terms of water and energy use and related emissions) reveal positive trends.

**Risks:** SPCM’s risk management system appears to cover its most material ESG risks, despite the absence of a group-wide risk governance body. The company displays robust capacity to safeguard its human capital cohesion and legal security while subjects affecting reputation and operational efficiency are addressed in a limited manner.

**Management:** SPCM appears to fairly integrate ESG factors into its strategy and operations, although quantitative targets underpinning its strategy often only cover the main production site in France. Robust to advanced means and processes address the group’s most material challenges, except in Corporate Governance. SPCM faces an isolated controversy and has been responsive to it.

## SOLICITED SUSTAINABILITY RATING – July 2020

This issuer-solicited sustainability rating was produced using research about SPCM from Vigeo Eiris' database as well as interviews with 10 Company's managers and directors and one employee representative, conducted from 15/06/2020 to 17/06/2020.

Vigeo Eiris' assessment report was delivered on 22/07/2020, covering 6 domains, 24 sustainability drivers and 46 impact indicators. 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 & organisational 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.

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

SPCM serves as the holding company to the SNF Group. 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. With 21 production sites, including seven primary plants (two in the USA, one in France, two in China, one in South Korea and one in India), SNF has the largest polyacrylamide production capacity in the world.

Paris, 24 July 2020

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### Disclaimer & Copyright

The Company gave us access to all documents and interviewees that we requested as part of our analysis process. We have a reasonable level of assurance about the reliability of information provided by the company. We have conducted this analysis in line with our standard methodological framework and Code of Conduct. We have not been subject to any pressure or proposal which could affect our independence or alter the integrity of our statements or opinions. We have no personal interest with the issuer, its executives or its activities.

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