

KEM ONE SUSTAINABILITY-LINKED FINANCING FRAMEWORK

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Kem One (henceforth referred to as “Kem One” or “The Company”) is a leading player in the chemical industry based in Lyon, with experience in chlorochemicals and vinyl products. The company is Europe’s second-largest producer of polyvinyl chloride (PVC) specialising in the production of chlorine, caustic soda and chlorine derivatives, and also leads in salt extraction. The company has approximately 1,400 employees and generates around €900m in revenue.

Kem One is a signatory of the French Business Climate Pledge and has a long-term commitment to meet the Paris Agreement, and carbon neutrality by 2050. Kem One also currently holds an ISO 50001 certification and, as a member of the chemical industry’s International Responsible Care program, the Company has a public commitment to place health, safety and the environment at the heart of their activities.

Kem One’s sustainability strategy is articulated on four pillars:

1. **The environment:** Improving energy performance and reducing environmental impacts;
2. **Labour relations/ HR:** A responsible enterprise, committed to diversity;
3. **Responsible purchasing:** Making sustainable purchases and mobilising suppliers; and
4. **Ethics and transparency:** Business practices that uphold Kem One’s values of ethical integrity and transparency.

As part of its stated aim to be at the forefront of ESG financing, and focus on delivering on its environmental objectives, Kem One has developed a Sustainability-Linked Financing Framework (the “Framework”) under which it can issue sustainable financing instruments in the form of bonds and loans in the form of private placements, promissory notes, loans, credit facilities and any other sustainability-linked financing instruments.

DNV Business Assurance Services UK Limited (“DNV”) has been commissioned by Kem One to provide a review of the Framework against the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles (“SLBP”) 2020, and the Loan Markets Association (LMA) Sustainability-Linked Loan Principles (“SLLP”) 2021. Our methodology to achieve this is described under ‘Work Undertaken’ below. DNV was not commissioned to provide independent assurance or other audit activities. No assurance has been provided regarding the financial performance of bonds and/or loans issued via the Kem One’s Framework, the value of any investments or the long-term sustainability benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management Team of Kem One and DNV

The management team of Kem One has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Kem One's management team, and other interested stakeholders in the Framework, as to whether the Framework is aligned with the Principles issued by the ICMA and the LMA. DNV's assessment is supplemented with international guidelines and standards, as well as DNV's own technical expertise to assess the eligibility of the Framework. In our work, we have relied on the information and the facts presented to us by Kem One. DNV is not responsible for any aspect of the projects or assets referred to in this opinion, and cannot be held liable if estimates, findings, opinions or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Kem One and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment methodology to create a Kem One specific Sustainability-Linked Financing Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the following Principles split by type of issuance:

- **Principle One: Selection of Key Performance Indicators (KPIs).** The issuer of sustainability-linked bonds and loans should clearly communicate its overall sustainability objectives as set out in its sustainability strategy, and how these relate to its proposed Sustainability Performance Targets (SPTs). The KPI should be relevant, core and material to the issuer's core sustainability and business strategy, measurable or quantifiable on a consistent methodological basis, externally verifiable; and able to be benchmarked externally.
- **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** The SPTs should be ambitious, meaningful, and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.
- **Principle Three: Financial Characteristics.** The bonds and/or loans will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The bond and/or loan documentation needs to require the definitions of the KPI(s) and SPT(s) and the potential variation of the SLB/SLL's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four: Reporting.** Issuers should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report outlining the performance against the SPT(s) and the related impact and timing of such impact on the bond's financial and/or structural characteristics, with such information to be provided to investors participating in the bond at least once per annum.

- **Principle Five: Verification (Post-issuance).** The Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. The verification of the performance against the SPT(s) should be made publicly available.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Kem One in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken, to form our opinion, included:

- Creation of a Kem One-specific Protocol, adapted to the purpose of the Framework as described above;
- Assessment of the documentary evidence provided to us by Kem One on the Framework, supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Kem One's management, and a review of the relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of the findings against each element of the criteria, as detailed in Schedule 2 of this document.

Our opinion, as detailed below, is a summary of these findings.

Findings and DNV's opinion

DNV's findings are listed below:

1. Principle One: Selection of Key Performance Indicators (KPIs):

Within the Framework, Kem One has identified one material Key Performance Indicator (KPI) that commits the business to future sustainability improvements within a predefined timeline (by 2030). Kem One has underscored the need to focus on Greenhouse Gas (GHG) emissions with an increasing demand for chemical products, and as a member of the chemical industry's International Responsible Care program, it has acknowledged that with increasing demand for chemical products, there is a need to reduce its direct GHG emissions (CO₂e) and provide low-carbon products to its customers. We can conclude that this KPI is relevant and material to Kem One's overarching sustainability strategy. The KPI in scope is summarised below:

- **Scope 1 and 2 absolute carbon emission reductions¹.**

¹ Kem One's KPI applies to all of the its activities and business units. Scope 1 emissions are measured in metric tons of CO₂ equivalent, and includes all emissions from sources controlled by Kem One. Scope 2 emissions in metric tons of CO₂ equivalent: Relate to indirect energy-related emissions (e.g. steam, heat, electricity).

Kem One's direct (Scope 1) and indirect (Scope 2) CO₂e are deemed material as they are a key measure of Kem One's performance towards meeting the Paris Agreement and reaching carbon neutrality by 2050, and aligns with the French low-carbon roadmap ("Stratégie Nationale Bas Carbone"). This KPI is also a reflection of Kem One's adherence to the French Business Climate Pledge and the company's drive towards reducing the emission intensity of its production and supplying low-carbon products to customers. The methodology for the calculation of the KPI is also measurable and quantifiable on a consistent basis.

Based on the work undertaken, DNV can confirm that the KPI is material to the company and its overarching approach to sustainability. The rationale and process for KPI selection, as well as its definition, measurability and verifiability, are defined and presented within the Framework. This KPI is robust, reliable and in accordance with the SLB and SLL Principles.

2. Principle Two: Calibration of Sustainability Performance Targets (SPTs).

In alignment with the KPI above, and Kem One's strategy, an overall target has been set:

- **To achieve a 50% reduction in Kem One's Scope 1 and 2 CO₂e emissions by 31st December 2030 (291.5kt CO₂e), relative to a 2013 reference base of 582kt CO₂e.**

To facilitate the calibration of this goal and to account for the impacts of COVID on the business, Kem One has set two SPTs for the years 2024 and 2025 against a 2019 reference base², under which progress will be measured to ensure that the target is met:

- **SPT 1: From a 2019 baseline of 485kt CO₂e, Kem One targets a 22% reduction in Scope 1 and 2 emissions by December 31st 2025.**
- **SPT 2: From a 2019 baseline of 485kt CO₂e, Kem One targets a 1.6% p.a. reduction in Scope 1 and 2 emissions during the period until December 31st 2024³ (8% reduction)**

While Kem One has set a target that extends only to 2030 (Scope 1 and 2 carbon emissions), DNV notes Kem One's long-term aim to align with France's national goals, the French Business Climate Pledge, and the Paris Agreement to achieve carbon neutrality by 2050. The SPT has an overall defined baseline (2019) and target years (2024 and 2025) set, and the calculation methodology for the SPT has been included in the Framework.

Kem One reports in its Framework that for the monitoring and reporting of its Scope 1 CO₂ emissions only, the Emissions Trading System (ETS) standard for GHG data⁴ is followed. Whilst Kem One has not set a Science-Based Target (SBT), we acknowledge that it has set a long-term target as part of its decarbonisation journey to achieve carbon neutrality, and that the targets have been aligned with the French and EU objectives, which are science aligned and thus meaningful.

Based on the information provided to DNV, we can also confirm that Kem One's carbon reduction rate is faster when compared to the national pathway (4.5% CAGR for Kem-One vs 2.6% for the national rate of reduction until 2030 and

² Kem One has selected the baseline year of 31st December 2019 (485 KteqCO₂) for these intermediate targets, most meaning full data point for assessing the ambition of our established targets.

³ Applies only if Kem One exercises its call feature prior to the 2025 SPT testing date.

⁴ Scope 2 emissions are outside the remit of the ETS regulation.

against the 2019 baseline). Based on the peer benchmarking information provided, the SPT is mostly leading (within the top 3) that have also set an absolute carbon emission reduction target. Based on the evidence reviewed, DNV can therefore confirm that the SPT goes beyond “Business as Usual”.

Kem One have outlined their strategy to achieve both the 2030 target and the interim 2024 and 2025 SPTs. Core to the strategy is the conversion of the electrolysis at the Fos-sur-Mer plant to bipolar membrane technology. Kem One predict that the project should reduce the site’s consumption of electricity by 16% per year and its consumption of natural gas by 36%. The project is anticipated to be finalised by 2025 and represents the significant reduction of CO₂e between the 2024 target and 2025 target. As well as improving other processes to improve energy efficiency within the manufacturing processes Kem One is a signatory of “Fret 21”, a binding initiative launched by the French Government, that aims to reduce the impact of commercial transport (8% reduction in CO₂e emissions by 2023), to achieve this they have invested in two barges powered by hybrid engines that will carry raw materials between plants. Kem One is also focusing on employee education focussed on the importance of energy efficiency and the reduction of greenhouse gas emissions.

In conclusion, based on the work undertaken, DNV can confirm that the SPTs represent a material improvement in the KPI, are beyond a “Business as Usual” trajectory, consistent with Kem One’s overall strategic vision for sustainability, and where possible are backed by science, having been aligned with the Paris Agreement, and are set on a predefined timeline. We can conclude that the SPTs are in line with the SLB and SLL Principles.

3. Principle Three: Financial Characteristics.

DNV can confirm the failure by Kem One to satisfy the SPT on a set reference date will trigger a step-up in the margin as applicable. Kem One has confirmed that this information will be included in the relevant documentation of a specific transaction. DNV can also confirm Kem One’s commitment to the bond/loan characteristics is in line with the requirements of the SLB and SLL Principles.

4. Principle Four: Reporting.

Kem One has committed to reporting on the annual progress for the SPT against the relevant KPI stated within its Sustainability-Linked Financing Report and will be included within the company’s annual reporting. Data will be externally verified and made publicly available on Kem One’s external website.

The reporting may include:

- Up-to-date information on the performance and monitoring of Kem One against the selected KPI and SPT.
- Where suitable data is available, an indication of the environmental benefits attributable to the achievement of the KPI (e.g. tCO₂e avoided as a result of meeting Kem One’s Sustainability Performance Targets); and
- Details of any updates relating to the KPIs (including e.g. reassessments of KPIs/restatements of SPTs, baseline adjustments, and accompanying rationale).

DNV can confirm Kem One’s commitment to reporting is in line with the requirements of the SLBP and SLLP guidelines.

5. Principle Five: Verification (post-issuance).

The Company commits to reporting on the KPI's performance on an annual basis, as part of Kem One's annual "Sustainability-Linked Financing Report", which will be verified to a limited level by external auditors, and will be made publicly available within the company's annual reporting. DNV concludes that Kem One has made appropriate plans to produce reporting on the allocation and the environmental impacts of the issuances and that this is in line with the requirements of the SLB and SLL Principles.

On the basis of the information provided by Kem One and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definitions of Sustainability-Linked Bond Principles ("SLBP") 2020 and the Loan Markets Association (LMA) Sustainability-Linked Loan Principles ("SLLP") 2021.

for DNV Business Assurance Services UK Limited

London, 25 October 2021

A handwritten signature in black ink, appearing to read 'Richard Strutt'.

Richard Strutt

Senior Consultant and Project Manager.
DNV – Business Assurance.

A handwritten signature in black ink, appearing to read 'Souvik Ghosh'.

Souvik Ghosh

Principal Consultant and Reviewer.
DNV – Business Assurance.

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.



SCHEDULE 1: DESCRIPTION OF THE KEY PERFORMANCE INDICATOR (KPI) AND SUSTAINABILITY PERFORMANCE TARGETS (SPT) FOR SUSTAINABILITY LINKED BONDS

Key Performance Indicator (KPI)	Sustainability Performance target (SPT)	Industry alignment, or UK/EU regulation
<ul style="list-style-type: none"> Scope 1 and 2 absolute carbon emission reductions 	<p>Overall target:</p> <ul style="list-style-type: none"> A 50% reduction (291.5kt CO₂e) in Scope 1 and 2 CO₂e emissions by 31st December 2030, relative to a 2013 reference base of 582kt CO₂e. Two intermediate goals relative to the 2019 reference base of 485kt CO₂e: <ul style="list-style-type: none"> ➤ SPT 1: From a 2019 baseline of 485kt CO₂e, Kem One targets a 22% reduction in Scope 1 and 2 emissions by December 31st 2025; and ➤ SPT 2: From a 2019 baseline of 485kt CO₂e, Kem One targets a 1.6% p.a. reduction in Scope 1 and 2 emissions during the period until December 31st 2024⁵. 	<ul style="list-style-type: none"> Alignment with Paris Agreement, and the French low-carbon roadmap (“Stratégie Nationale Bas Carbone”).

⁵ Applies only if Kem One exercises its call feature prior to the 2025 SPT testing date.

SCHEDULE 2: SUSTAINABILITY-LINKED FINANCING ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The issuer’s sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the issuer’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management’s control. The KPI should be of high strategic significance to the issuer’s current and/or future operations.</p> <p>It is recommended that issuers communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>In addition to reviewing the evidence below, we had several detailed discussions with Kem One.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One’s Sustainability-Linked Financing Framework (2021) • Rapport RSE Kem One (2021 Sustainability Report) • EcoVadis CSR Assessment and Certificate (Gold Rating) 2021 • Kem One HSEQ Charter • Kem One Energy and Climate Policy • Plans de Performance Energétiques 2015-2020 (Energy Performance Plans) for 6 sites • Kem One ISO 50001 certificate • GHG disclosures verification reports (conducted by third-party Apave, 2021) 	<p>It is in our opinion that Kem One has set a KPI that is material to the business. The KPI is aligned with Kem One’s commitment to deliver reductions in CO₂e emissions, and meet relevant French and EU environmental objectives within a predefined timeline (2030).</p> <p>Having assessed the documentation provided by Kem One and the Framework, DNV can confirm that the KPI set is material to the business and core to the underlying pillars of Kem One’s strategy.</p> <p>KPI: Scope 1 and 2 absolute carbon emission reductions - deemed material as it is a key measure of Kem One’s performance towards meeting the Paris Agreement and reaching carbon neutrality by 2050.</p> <p>DNV also notes that Kem One is a member of the chemical industry’s International Responsible Care program, and acknowledges that the chemical sector is the third-largest industry subsector in terms of direct CO₂e emissions. With an increasing demand for chemical products, it will be crucial to reduce the emissions intensity of production, as well as to supply low-carbon products to customers, making this KPI relevant and material to Kem One’s overarching sustainability strategy.</p> <p>In summary, we can conclude that the KPI set by Kem One is consistent with the SLB and SLL Principles and that it is material to the company’s overarching sustainability strategy.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1b	KPI - Measurability	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Issuers are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate the historical performance of the KPIs selected.</p> <p>In situations where the KPIs have not been previously disclosed, issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One’s Sustainability-Linked Financing Framework (2021) • Rapport RSE Kem One (2021 Sustainability Report) • Kem One Energy and Climate Policy • Plans de Performance Energétiques 2015-2020 (Energy Performance Plans) for 6 sites • Kem One ISO 50001 certificate • GHG disclosures verification reports (conducted by third-party Apave, 2021) 	<p>It is our opinion that the KPI chosen by Kem One is quantifiable, has a clear target date (2024 and 2025 as well as a longer-term 2030 target) in place, and can be benchmarked against peers in the same sector. From the documents assessed we can confirm that Kem One has measured and tracked its CO₂ emission data since 2013.</p> <p>We can confirm that Kem One has reported on the appropriate calculation methodologies for the SPTs, and that the metrics are reported in line with the European Union Emissions Trading System (ETS) requirements.</p> <p>DNV can confirm that Kem One has stated its intent to assure performance on CO₂ emission reductions as featured in the Sustainability-Linked Financing Instrument by a third-party, on an annual basis. The verification of the SPT relative to the KPI will be made publicly available in either a separate report or, alternatively, in Kem One’s annual integrated report.</p>
1c	KPI – Clear definition	<p>A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter, as well as the calculation methodology</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One’s Sustainability-Linked Financing Framework (2021) 	<p>It is our opinion that Kem One has provided and included the applicable scope and parameters, and that the calculation methodologies as required under the SLB and SLL Principles for the KPI have been reported:</p> <ul style="list-style-type: none"> ○ Scope 1 and Scope 2 absolute CO₂e emission reductions. ○ Measured and reported in KtCO₂e. ○ Overall target of a 50% reduction in CO₂e by 2030 against a 2013 baseline of 582ktCO₂e. ○ 8% reduction by 2024 and 22% by 2025 against a 2019 baseline of 485 KtCO₂e. ○ Metric reported in accordance with ETS.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				DNV can confirm that the scope and parameters for the KPIs are clearly defined within the Framework.

2. Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting - Meaningful	The SPTs should be ambitious, realistic, and meaningful to the issuer's business, and be consistent with the issuers' overall strategic sustainability/ESG strategy	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> Kem One's Sustainability-Linked Financing Framework (2021) Science-Based Targets Data Tool 2021.10.12_v4 (Peer benchmarking) Plans de Performance Energétiques 2015-2020 (Energy Performance Plans) for production sites 	<p>DNV can confirm that the selected KPI as outlined in 1a is aligned with the following SPTs, and will help Kem One on its commitment to lower its overall carbon emissions as part of the chemical industries goal towards decarbonisation:</p> <p>KPI: A reduction in Kem One's Scope 1 and 2 CO₂ emissions</p> <p>To help achieve this, DNV notes that Kem One has set two SPTs have been set:</p> <ol style="list-style-type: none"> SPT 1: From a 2019 baseline of 485kt CO₂e, Kem One targets a 22% reduction in Scope 1 and 2 emissions by December 31st 2025. SPT 2: From a 2019 baseline of 485kt CO₂e, Kem One targets a 1.6% p.a. reduction in Scope 1 and 2 emissions during the period until December 31st 2024⁶ (8% total reduction). <p><i>Note: within the Framework, Kem One has rationalised using a 2019 reference base for the two intermediate goals as a result of the COVID pandemic.</i></p>

⁶ Applies only if Kem One exercises its call feature prior to the 2025 SPT testing date

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>Based on the evidence reviewed by DNV, we can confirm that the KPI set by Kem One is ambitious; it is set in line with the industry target and national context and aligns with the Paris agreement (meaning it is aligned with science). Within the Framework we have also seen that Kem One has provided context for its provisions to reach this target: the business' energy efficiency plan consists in investing in more efficient processes and low-carbon technologies, introducing equipment that consumes less energy, and keeping tight control of consumption and production parameters in order to identify any leaks and to avoid over-consumption.</p> <p>DNV concludes that the SPT is realistic, ambitious and core to the underlying pillars of Kem One's ESG strategy, and support the business in achieving French and EU emission reduction targets.</p>
2b	Target Setting - Meaningful	SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.	<p>In addition to reviewing the evidence below, we had several detailed discussions with Kem One.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One's Sustainability-Linked Financing Framework (2021) • Science-Based Targets Data Tool 2021.10.12_v4 (Peer benchmarking) 	<p>Within the Framework, Kem One highlights how the SPT represents a material improvement and goes beyond Business As Usual, is based on historical data, has been assessed against peers (i.e, through a peer benchmarking assessment), and that the target is stretching:</p> <ul style="list-style-type: none"> ○ Kem One has set a long-term target as part of its decarbonisation journey to achieve carbon neutrality, and the target has been aligned with the French and EU objectives which are science aligned. ○ Kem One's carbon reduction rate is faster when compared to the national pathway (i.e., 4.5% CAGR for Kem One vs 2.6% for the national rate of reduction until 2030 and against the 2019 baseline). ○ The peer benchmarking information provided shows that Kem One's SPT is mostly leading (within the top 3) compared to peers that also operate in the chemical industry. The review carried out by Kem One uses the

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>BloombergNEF Science-Based Data Tool, comparing Kem One's performance and projections with 5 peers in the same industry, and that are headquartered in Europe.</p> <p>Kem One has outlined in the Framework examples of how it intends to reach the SPT: investing in more efficient processes and low-carbon technologies at the Fos-sur-Mer and Lavéra sites; the use of technologies for electrification and the recycling of thermal flows in manufacturing processes; and increased employee training on the importance of energy efficiency and the reduction of carbon emissions.</p> <p>DNV concludes the SPT represents a material improvement in the KPI, goes beyond a "Business as Usual" trajectory when compared to an external benchmark for the industry, and that it is determined on a predefined timeline.</p>
2c	Target Setting – benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The issuer's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s), is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the issuer's peers where comparable or available, or versus industry or sector standards 3. Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets 	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One's Sustainability-Linked Financing Framework (2021) • Science-Based Targets Data Tool 2021.10.12_v4 (Peer benchmarking) 	<p>We can confirm that three years of historic performance for the SPT has been provided in the Framework. DNV can also confirm that the SPT is mostly leading compared to the projections of direct peers in the chemical industry.</p> <p>In addition, we can confirm that Kem One has stated its intent to develop a culture of energy efficiency within the Framework, and references that this aligns with the recommendations as set out by the Science-Based Target Initiative (SBTi).</p> <p>DNV concludes that Kem One's target-setting exercise is based on an adequate combination of benchmarking approaches, and that it is in line with the SLB and SLL Principles.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>or to recognised Best-Available-Technologies or other proxies</p>		
2d	Target setting – disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs 2. Where relevant, the verified baseline or reference point selected for the improvement of the KPIs as well as the rationale for that baseline or reference point to be used 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place 4. Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs. 	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One’s Sustainability-Linked Financing Framework (2021) • Rapport RSE Kem One (2021 Sustainability Report) • Plans de Performance Energétiques 2015-2020 (Energy Performance Plans) for production sites 	<p>DNV can confirm that the relevant disclosures on target setting are described within the Framework and align with the SLB and SLL Principles:</p> <ul style="list-style-type: none"> ○ Timeline to achieve the target is clearly referenced as 2030 as well as the intermediate SPT targets of 2024 and 2025; ○ The KPI is to be measured and reported against a baseline year of 2019 for the interim goals, and 2013 for the long-term goal; and ○ The perimeter of the KPI or calibration of the SPT may change if there is a material change to Kem One’s business. Any such change will be communicated within the annual reporting. <p>DNV can confirm that the SPT’s disclosures on target setting make clear reference to: the timelines, trigger events and frequency of SPTs, the baseline and rationale for improvement of the KPI, potential recalculations, and how Kem One intends to reach the SPT. DNV confirms that this is clearly outlined in the Framework and consistent with the SLB and SLL Principles.</p>

3. Financial Characteristics

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Bond Characteristics – SPT Financial / structural impact	The SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s).	Evidence reviewed: <ul style="list-style-type: none"> Kem One’s Sustainability-Linked Financing Framework (2021) 	<p>DNV can confirm the failure by Kem One to satisfy the SPT on a set reference date would trigger a step-up margin as applicable. Kem One has confirmed that this information will be included in the relevant documentation of a specific transaction. In addition, the perimeter of the KPI or calibration of the SPT may change, if there is a material change to Kem One’s business. Any such change will be communicated within the annual reporting.</p> <p>DNV concludes that the inclusion of trigger event(s) under the Framework is in line with the requirements outlined by SLB and SLL Principles.</p>
3b	Bond Characteristics – Fallback mechanism	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained. Issuers may also consider including, where needed, language in the bond documentation to take into consideration potential exceptional events.	Evidence reviewed: <ul style="list-style-type: none"> Kem One’s Sustainability-Linked Financing Framework (2021) 	<p>DNV can confirm there appears to be little risk of Kem One not being able to calculate or observe its SPT, e.g. regulatory changes (specifically within Europe) or technological advancements in the chemical sector. We can also confirm Kem One’s commitment to the bond characteristics is in line with the requirements of the SLB and SLL Principles.</p>

4. Reporting Commitments

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	<p>Issuers of SLB/SLLs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics 3. Any information enabling investors to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB and/or SLL's financial and/or structural characteristics.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One's Sustainability-Linked Financing Framework (2021) • Rapport RSE Kem One (2021 Sustainability Report) • Plans de Performance Energétiques 2015-2020 (Energy Performance Plans) for production sites • GHG disclosures verification reports (conducted by third-party Apave, 2021) 	<p>Kem One has committed to reporting on the annual progress for the SPT against the relevant KPI, as stated within its Sustainability-Linked Financing Report. This will be reported in the company's annual report. DNV can also confirm that the data will be externally verified, and will be made publicly available on Kem One's external website.</p> <p>The reporting may include:</p> <ul style="list-style-type: none"> ○ Up-to-date information on the performance and monitoring of Kem One against the selected KPI and SPT. ○ Where suitable data is available, an indication of the environmental benefits attributable to the achievement of the KPI (e.g. tCO₂e avoided as a result of meeting Kem One's SPT); and ○ Details of any updates relating to the KPI (including e.g. reassessments of KPI/restatements of the SPT, baseline adjustments, and accompanying rationale). <p>DNV can confirm Kem One's commitment to reporting is in line with the requirements of the SLB and SLL Principles.</p>
4b	Second Party Opinion	<p>Publication of any pre-issuance external review, such as a second party opinion, or if relevant a verification of baselines</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Kem One's Sustainability-Linked Financing Framework (2021) 	<p>Kem One has committed to conducting a Second Party Opinion on the Framework meeting the SLB and SLL Principles. This includes an assessment of the KPI selected, benchmarks and baselines selected, and the credibility of the strategy to achieve it.</p> <p>DNV can confirm that the pre-issuance of any publication is in line with the requirements of the SLB and SLL Principles.</p>

5. Verification

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External Verification	Issuers should have their performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year, and for each SPT trigger event.	Evidence reviewed: <ul style="list-style-type: none"> • Kem One's Sustainability-Linked Financing Framework (2021) 	<p>The Company commits to reporting on the KPI's performance on an annual basis, as part of Kem One's annual "Sustainability-Linked Financing Report", which will be verified to a limited level by an external auditor, and will be made publicly available within the company's annual reporting.</p> <p>DNV concludes that Kem One has made appropriate plans to produce reporting on the allocation and the environmental impacts of the issuances and that this is in line with the requirements of the SLB and SLL Principles.</p>