

Second-Party Opinion Fugro Sustainability-Linked Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the Fugro Sustainability-Linked Financing Framework aligns with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2021. This assessment is based on the following:

- Selection of Key Performance Indicators (KPIs)** Fugro's Sustainability-Linked Financing Framework includes three KPIs: (i) Vessel CO₂ emissions intensity (tonnes CO₂ per operational day), (ii) Revenue from renewables (EUR million) and (iii) Gender diversity in management positions (see Table 1). Sustainalytics considers KPI 1 to be adequate and KPI 2 and KPI 3 to be strong based on their materiality, relevance, scope of applicability and adequacy to external benchmarking.
- Calibration of Sustainability Performance Targets (SPTs)** Sustainalytics considers the SPTs to be aligned with Fugro's sustainability strategy. Sustainalytics further considers SPT 1 and SPT 2 to be moderately ambitious and SPT 3 to be ambitious based on past performance and peer performance.
- Bond/Loan Characteristics** Fugro has disclosed that a coupon adjustment, a margin adjustment or a premium payment in the case of a trigger event, will be tied to the Company's progress on the selected KPIs and SPTs, which is aligned with the SLBP and SLLP.
- Reporting** Fugro commits to report its progress on the KPIs in its Annual Report. Fugro also commits to disclose relevant information that may affect the KPI or that may enable investors to monitor the progress and ambition of the selected SPTs and KPIs. The reporting commitments are aligned with the SLBP.
- Verification** Fugro commits to have external limited assurance conducted against each SPT for each KPI at least once a year, which is aligned with market expectations.

Evaluation Date	May 13, 2022
Issuer Location	Leidschendam, Netherlands

The SPTs contribute to the following SDGs:



Overview of KPIs and SPTs

KPI	Baseline	SPT	Strength of the KPI	Ambitiousness of SPT
Vessel CO ₂ emissions intensity (tonnes CO ₂ per operational day)	2020	20% reduction in vessel CO ₂ emissions intensity by 2025 vs. 2020	Adequate	Moderately Ambitious
Revenue from renewables (EUR million)	2021	50% growth in revenue from renewables by 2024 vs. 2021	Strong	Moderately Ambitious
Gender diversity in management positions	2021	25% women in senior management positions by 2025	Strong	Ambitious

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Scope of Work and Limitations

Fugro N.V. has engaged Sustainalytics to review the Fugro Sustainability-Linked Financing Framework dated May 2022 (the "Framework") and to provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2020 (SLBP) and the Sustainability-Linked Loan Principles 2022 (SLLP).¹

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent² opinion on the alignment of the Framework with the SLBP and SLLP.

As part of this engagement, Sustainalytics exchanges information with various members of Fugro N.V.'s management team to understand the sustainability impact of their business processes and SPTs, as well as reporting and verification processes of aspects of the Framework. Fugro N.V.'s representatives have confirmed that:

- (1) They understand it is the sole responsibility of issuer to ensure that the information provided is complete, accurate or up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Fugro N.V. Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs of KPIs but does not measure the KPIs' performance.³ The measurement and reporting of the KPIs is the responsibility of the Issuer/Borrower. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Fugro N.V. has made available to Sustainalytics for the purpose of this Second-Party Opinion.

The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written and aligned with the methodology to calculate the KPI performance outlined in the Second-Party Opinion up to 24 months or until one of the following occurs:

- (1) A material change to the external benchmarks⁴ against which targets were set;
- (2) A material corporate action (such as material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPIs.

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¹ The Sustainability-Linked Bond Principles were launched by ICMA in June 2020. They are administered by the ICMA and are available at: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf>. The Sustainability-Linked Loan Principles are administered by APLMA, LMA and LSTA and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/#>

² When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

³ Sustainalytics has provided an opinion based on the understanding that the financial characteristics of instruments issued under this Framework will be tied to the achievement of the SPTs corresponding to each of the KPIs included in the Framework.

⁴ Benchmarks refers to science-based benchmarks.

Introduction

Fugro N.V. ("Fugro", the "Company" or the "Issuer") acquires and analyses geological data at sea and on land, and provides solutions for design, construction and operations of assets in a safe, sustainable and efficient manner. The geological data is used for site characterization and asset integrity for building and maintaining diverse structures on land and at sea, such as offshore wind parks, oil & gas infrastructure, tunnels, roads, factories and communication cables. Headquartered in the Netherlands, the Company operates worldwide and has around 9,000 employees.

Fugro has developed the Fugro Sustainability-Linked Financing Framework under which it intends to issue sustainability-linked bonds and obtain sustainability-linked loans whose financial characteristics, such as a coupon adjustment, margin adjustment or premium payment will be tied to the achievement of one or more SPTs for three selected KPIs: (i) Vessel CO₂ emissions intensity, (ii) Revenue from renewables, and (iii) Gender diversity in management positions.

Fugro has engaged Sustainalytics to review the SLF Framework and provide an opinion on the alignment of the Framework with the SLBP and the SLLP.

The KPIs and SPTs used by Fugro are defined in Tables 1 and 2 below.

Table 1: KPI Definitions

KPI	Definition
Vessel CO ₂ emissions intensity (tonnes CO ₂ per operational day)	<p>The KPI measures CO₂ emissions in tonnes per operational day, defining an operational day as a day when a vessel is used for actual business-related project work, including project-related transit, preparation and testing.</p> <p>To calculate the KPI, the fuel consumption (on both operational and non-operational days) for each vessel is multiplied by the density factor and the CO₂ emissions factor provided by the International Maritime Organization (IMO). The result is the total CO₂ emissions in the period per vessel. The sum of the total CO₂ emissions for all vessels⁵ is then divided by the total number of operational days.</p> <p>The KPI includes only CO₂ emissions and excludes all other GHGs because they are not material to Fugro's vessels' operations. CO₂ accounts for approximately 99% of Fugro's total GHG emissions.</p>
Revenue from renewables (EUR million)	The KPI measures the revenue generated from the renewables market segment in millions of euros.
Gender diversity in management positions	This KPI measures the percentage of women in senior management positions, which are defined as the 158 (per December 2021) highest positions at Fugro, including the Board of Management, the Executive Leadership Team (ELT) and key management positions.

Table 2: SPTs and Past Performance

KPI	2018	2019	2020	2021	SPT
Vessel CO ₂ emissions intensity (tonnes CO ₂ per operational day)	16.4	15.4	15.8 (Baseline)	14.9	20% reduction in vessel CO ₂ emissions intensity by 2025 vs. 2020
Revenue from renewables (EUR million)	172	234	295	351.5 (Baseline)	50% growth in revenue from renewables by 2024 vs. 2021
Gender diversity in management positions	N/A	N/A	N/A	15.4% (Baseline)	25% women in senior management positions by 2025

⁵ All vessels means (as of 2021) Fugro's 26 self-owned vessels and five uncrewed surface vessels (USVs), five long-term chartered vessels, and 43 short-term chartered vessels.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of Fugro's Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles and the Sustainability-Linked Loan Principles

Sustainalytics is of the opinion that the Fugro Sustainability-Linked Financing Framework aligns with the five core components of the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2021.



Selection of Key Performance Indicators (KPIs)

Relevance and Materiality of KPIs

In its assessment of materiality and relevance, Sustainalytics considers: i) whether an indicator speaks to a material impact of the issuer's business on environmental or social issues, and ii) to what portion of the impact the KPI is applicable.

KPI 1: Vessel CO₂ emissions intensity (tonnes CO₂ per operational day)

Sustainalytics' ESG Risk Rating identifies "Carbon – Own Operations"⁶ as a material ESG issue (MEI) for the Non-Residential Construction subindustry. The main source of direct carbon emissions in this industry is the use of fuels to power tools, machinery and vehicles. Companies involved in marine surveys and marine infrastructure solutions generate significant GHG emissions from the operation of vessels, adding to the global emissions from shipping. Global shipping emitted approximately 1,056 MtCO₂ in 2018, accounting for an estimated 2.89% of the total global anthropogenic CO₂ emissions for that year. According to the International Maritime Organization (IMO), the emissions from global shipping are projected to increase by 90-130% by 2050 compared to 2008 levels.⁷ In addition, Fugro's 2019 materiality assessment identified "Emissions, Energy Use and Energy Transition" as a material issue, among the most relevant and impactful for both the Company and its stakeholders.⁸

In terms of applicability, KPI 1 includes all vessels used in Fugro's operations, both company-owned and chartered,⁹ as well as uncrewed surface vessels (USVs). The CO₂ emissions from operations of vessels account for approximately 80% of Fugro's combined scope 1 and 2 emissions and 29% of its total emissions profile (scope 1, 2 and 3). Fugro uses marine gas oil to fuel its vessels, for which GHGs other than CO₂ are not material. Based on this, the KPI includes only CO₂ emissions because it constitutes around 99% of Fugro's total GHG emissions. On this basis, Sustainalytics considers KPI 1 to be highly material with a limited scope of applicability.

KPI 2: Revenue from renewables (EUR million)

Sustainalytics' ESG Risk Rating identifies "Environmental and Social Impact of Products and Services" as an MEI for the Non-Residential Construction subindustry. Further, the Sustainability Accounting Standards Board (SASB), considers "Climate Impacts of Business Mix" as a relevant issue for the construction industry.¹⁰ According to the SASB, several construction companies generate a large share of their revenues from carbon-intensive businesses, whose future capital expenditures are at risk due to evolving climate regulations. On the other hand, companies focusing on infrastructure projects that contribute to GHG mitigation, such as renewable energy projects, are expected to develop competitive advantages thanks to the growing market of low-carbon products and services.

⁶ The Sustainalytics Carbon – Own Operations MEI refers to a company's management of risks related to its own operational energy use and GHG emissions (scope 1 and 2).

⁷ International Maritime Organization, Fourth Greenhouse Gas Study 2020, at:

[https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/Fourth IMO GHG Study 2020 - Full report and annexes.pdf](https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/Fourth%20IMO%20GHG%20Study%202020%20-%20Full%20report%20and%20annexes.pdf)

⁸ Fugro, Annual Report 2020, at: https://fugroannualreport.com/assets/pdfs/FUGRO_JV2020-IA.pdf

⁹ Fugro considers CO₂ emissions from chartered vessels as part of scope 1 emissions because Fugro controls these vessels during operations and purchases the fuel they use.

¹⁰ SASB, ENGINEERING & CONSTRUCTION SERVICES, Sustainability Accounting Standard, at: https://www.sasb.org/wp-content/uploads/2018/11/Engineering_Construction_Services_Standard_2018.pdf

In addition, Fugro's 2019 materiality assessment classifies "Emissions, Energy Use and Energy Transition" as a key material issue. The Company's focus on energy transition is not limited to its own operations, also applying to other solutions and services that Fugro provides. For instance, Fugro's site characterization and asset integrity services contribute significantly to the energy transition path of several industries. Likewise, Fugro's data acquisition, interpretation and engineering solutions play a critical role in the development of offshore wind parks.⁸

In terms of applicability, the renewable energy market segment consists of offshore and onshore wind parks, solar farms, hydropower dams and constructions to generate energy from tides, waves and geothermal heat. This market segment generated about 24% of Fugro's total revenues in 2021 and is further expected to grow.¹¹ On this basis, Sustainalytics considers KPI 2 to be highly material with a high scope of applicability.

KPI 3: Gender diversity in management positions

Sustainalytics' ESG Risk Rating identifies "Human Capital" as an MEI for the Non-Residential Construction sub-industry. A recent study shows women comprise only 10.9% of all workers in this sector.¹² Moreover, on average, female employees are under-represented in STEM-related fields,¹³ where progress in increasing gender, racial, and ethnic diversity has been uneven.¹⁴ In this context, and considering that senior management roles accounted for roughly 1.6% of all of the Company's employees at the end of 2020, Sustainalytics considers that increasing participation of women in leadership roles would also generate impacts across all operations of Fugro, and assesses this KPI to be highly material with high scope of applicability.

KPI Characteristics

KPI 1: Vessel CO₂ emissions intensity (tonnes CO₂ per operational day)

Sustainalytics considers Fugro's definition and methodology to calculate progress on KPI 1 to be clear and consistent with historical disclosure. For overall emissions, Fugro follows the GHG Protocol and applies an operational control approach to set organizational boundaries for GHG accounting purposes. To calculate the KPI, fuel consumption is multiplied by the fuel density and the IMO-provided CO₂ emission factor, resulting in overall CO₂ emissions in the period per vessel, the total being then divided by the sum of operational days for all vessels. However, Fugro's emissions intensity definition differs from externally defined metrics typically used in the shipping industry. For example, the IMO's definition of "emissions per transport work" is not appropriate for Fugro as its operations differ from regular cargo transportation activities in the shipping industry. In addition, the KPI does not lend itself well to be compared against any external contextual benchmarks due to the difference in the metrics chosen and the specific vessel activities undertaken in Fugro's business operations. Nonetheless, the KPI is directly linked to the Company's environmental performance.

KPI 2: Revenue from renewables (EUR million)

Sustainalytics considers Fugro's definition and methodology to calculate progress on KPI 2 to be clear and consistent with historical disclosure. The KPI measures revenue growth from site characterization and asset integrity solutions for renewable energy constructions. The KPI is constructed following an externally defined practice as revenue growth is a widely used KPI to show the performance of a business line. However, the KPI is not comparable with any external benchmark to assess the revenue generated from the renewable energy segment. In addition, the KPI does not directly represent the Company's performance in terms of environmental impacts.

KPI 3: Gender diversity in management positions

Sustainalytics considers Fugro's definition and methodology to calculate KPI 3 to be clear and consistent based on the ease of calculation and replicability and considers the KPI directly linked to the Company's performance

¹¹ Fugro estimates that its revenue growth in the renewables segment will be three times bigger than revenue growth in the oil and gas sector in the next three years. The renewables and oil and gas segments are expected to each represent approximately one-third of total revenue by 2024-2025.

¹² BigRentz, "Women in Construction: The State of the Industry in 2022", (2022), at: <https://www.bigrentz.com/blog/women-construction>

¹³ World Economic Forum, "3 things to know about women in STEM", (2020), at: <https://www.weforum.org/agenda/2020/02/stem-gender-inequality-researchers-bias>

¹⁴ Pew Research Centre, "STEM Jobs See Uneven Progress in Increasing Gender, Racial and Ethnic Diversity", (2021), at: <https://www.pewresearch.org/science/2021/04/01/stem-jobs-see-uneven-progress-in-increasing-gender-racial-and-ethnic-diversity/>

regarding its material impact. Sustainalytics further notes that there are no applicable externally recognized benchmarks for this KPI.

Overall Assessment

Sustainalytics overall considers KPI 1 – Vessel CO₂ emissions intensity (tonnes CO₂ per operational day) – to be adequate given that: (i) it speaks to a material environmental issue that directly measures Fugro’s environmental performance, and (ii) it follows a clear and consistent methodology, but (iii) it has a limited scope of applicability, and (iv) it does not follow any externally defined metrics and does not support benchmarking against emission reduction trajectories.

Sustainalytics considers KPI 2 – Revenue from renewables – to be strong given that: (i) it speaks to a material environmental issue that indirectly measures Fugro’s environmental performance, (ii) it follows a clear and consistent methodology, and (iii) it has a high scope of applicability, but (iv) it does not support benchmarking against emission reduction trajectories.

Sustainalytics considers KPI 3 – Gender diversity in management positions – to be strong given that: (i) it measures performance on relevant and material issues, (ii) it is a direct measure of operational performance, and (iii) follows a clear and consistent methodology. Sustainalytics notes that while there are no applicable externally recognized benchmarks for this KPI, it enables comparability with various industry players.

Vessel CO ₂ emissions intensity (tonnes CO ₂ per operational day)	Not Aligned	Adequate	Strong	Very strong
Revenue from renewables (EUR million)	Not Aligned	Adequate	Strong	Very strong
Gender diversity in management positions	Not Aligned	Adequate	Strong	Very strong



Calibration of Sustainability Performance Targets (SPTs)

Alignment with Issuer’s Sustainability Strategy

Fugro has set the following SPTs for its KPIs:

- 20% reduction in vessel CO₂ emissions intensity by 2025 against a 2020 baseline
- 50% growth in revenue from renewables by 2024 against a 2021 baseline
- 25% women in senior management positions by 2025

Sustainalytics considers the SPTs to be aligned with Fugro’s sustainability strategy (please refer to Section 2 for an analysis of the credibility of Fugro’s sustainability strategy).

- Regarding SPT 1, the Company is committed to reducing emissions from its own operations, aiming to become climate neutral by 2035. In 2019, Fugro set short- and medium-term targets for reducing its emissions from vessels and for procuring renewable energy for its offices and other facilities.¹⁵ The Company has implemented several initiatives for limiting emissions from its vessel operations, such as the use of uncrewed surface vessels and remote operations. The Company has adopted a ship energy efficiency management plan which incorporates optimization tools for fuel efficient operations. In 2020, Fugro conducted studies for the use of alternative low-emission fuels such as hydrogen and methanol for its existing and potential new vessels. The Company also uses biofuel as a short-term measure to reduce CO₂ emissions.⁸

¹⁵ The targets defined in 2019 include: (i) 80% of energy consumption in the offices worldwide should be generated from renewable sources. (ii) 20% reduction in the emission intensity of our research vessels (CO₂ emissions per operational day), (iii) Zero single use plastic in Fugro’s operations; and (iv) 50% reduction of supplier-supplied single-use plastic.

- Regarding SPT 2, Fugro generated 21% of its 2020 revenue from the renewables segment of its business, which primarily includes site characterization and asset integrity services for the development and construction of offshore wind parks in Europe, which is currently being expanded to other markets. Fugro has identified the “strong growth in renewables sector” as one of the key drivers of its targeted improvement in profitability, as opposed to its oil and gas business segment, which it sees as high risk due to exposure to price volatility and the need to transition to a low-carbon economy. In this context, Fugro’s business expansion targets its renewables segment, mostly offshore wind, sustainable infrastructure, and new climate change adaptation, such as coastal and flood protection services.⁸
- Regarding SPT 3, as of 2021, women were under-represented in the Company’s senior management positions (15.4%) compared to the share of women in its entire workforce (21.8%). Therefore, Fugro identified “Diversity and Inclusion” as a significant material topic in its 2020 materiality matrix.

Strategy to Achieve the SPTs

SPT 1 - 20% reduction in vessel CO₂ emissions intensity by 2025 vs. 2020

Fugro intends to achieve SPT 1 through the following strategies:

- Fugro plans to replace crewed vessels with smaller remotely operated uncrewed surface vessels (USVs), reducing emissions by more than 90% for comparable work carried out with the current vessels fleet. It also plans to replace older and less efficient vessels before the end of their economic lifetime.
- Fugro intends to invest in battery packs on Fugro-owned vessels and implement hybrid propulsion technology, which minimizes energy consumption during the dynamic positioning of the vessels.
- The Company offers its clients the option to use biofuels in its vessels operations as an interim solution. Fugro is investing in preparing vessels to run on methanol, including running a pilot project in which the engine of the research vessel Fugro Pioneer is expected to run on methanol by Q1 2023.
- Fugro introduced a vessel vetting procedure in 2020, which includes the CO₂ index as one of the acceptance criteria for chartering third-party vessels.

SPT 2 - 50% growth in revenue from renewables by 2024 vs. 2021

Fugro intends to achieve SPT 2 through the following strategies:

- Fugro is investing in resources and solutions to enhance its operation in the renewables market segment. In 2021, the Company divested from one of its non-core subsidiaries specialized in deep seismic data collection, Seabed Geosolutions, marking a significant step in its energy transition efforts.
- Fugro plans to acquire dedicated resources, undertake strategic hiring of personnel with knowledge and experience in the renewables market, conduct geophysical and geotechnical training, and develop specific data acquisition tools and techniques to achieve the targeted revenue from its renewables business segment.

SPT 3 - 25% women in senior management positions by 2025

Fugro intends to achieve SPT 3 through the following strategies:

- Fugro has further strengthened the implementation of its Diversity and Inclusion policy by hiring a culture, diversity and inclusion manager in early 2022 to help oversee the promotion of equal opportunity in the recruitment process.
- Fugro ensures job descriptions are gender neutral and promotes the use of CVs that do not include any personal details which refer to an applicant’s gender, age or ethnicity.
- External recruitment agencies are invited to identify and submit capable female candidates for senior management positions.

- The Company provides specific supports to its female employees in its management development programmes and ensures that qualifying female candidates are evenly considered for vacancies in the Company's Board of Management and Executive Leadership Team (ELT).

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of the SPTs, Sustainalytics considers: i) whether the SPTs go beyond a business-as-usual trajectory, ii) how the SPTs compare to targets set by peers, iii) and how the SPTs compare with science.¹⁶

SPT 1: Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and industry best practices.

Fugro has set 2020 as the baseline for SPT 1, which was the first year after Fugro communicated the target in 2019.

Sustainalytics considers the target to be above Fugro's historical performance. Between 2018 and 2021, the Company reduced the emission intensity of its vessels at an average annual rate of 3.07%, whereas the SPT requires a reduction of approximately 4% annually between 2020 and 2025. As SPT 1 speaks of a highly specialized and unique business segment, it could not be compared directly with its subindustry peers. Hence, Sustainalytics considers it more suitable to compare SPT 1 against the marine shipping industry's best practice. Despite the differences in metrics, Fugro's SPT 1 is aiming to achieve significantly higher efficiency gains compared to those of the IMO.⁷ Therefore, Sustainalytics considers SPT 1 to be aligned with industry best practice, noting that the IMO's targets for emissions reduction are not aligned with science nor with the objectives of the Paris Agreement.¹⁷ The SPT could not be benchmarked against any science-based decarbonization pathways as the existing metrics for science-based trajectories of shipping operations vary considerably compared to the metrics defined for SPT 1.

SPT 2: Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance.

Fugro has set 2021 as the baseline for SPT 2 to reflect the latest data available.

In terms of Fugro's past performance, the Company achieved significant revenue growth from the renewable market segment from EUR 172 million in 2018 to EUR 351.5 million in 2021, an increase of 27.09% at an average annual rate. In the SPT period, Fugro's revenue from its renewables segment is projected to increase to at least EUR 527 million by 2024, an increase of 16.67% at an average annual rate. Sustainalytics considers SPT 2 to be below Fugro's historical performance in this context.¹⁸ In addition, peer companies with similar operations and business segments were assessed for their targets linked to revenue generated from renewables. Sustainalytics notes that while peer companies aim to expand their renewables and other low-carbon business segments, none have set any quantitative targets. As such, Sustainalytics considers SPT 2 to be above Fugro's peers' targets. The SPT could not be compared against any external contextual benchmark as science-based trajectories do not currently consider revenue generated from renewables businesses.

SPT 3: Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance.

Regarding women in senior management positions, the Company does not have sufficient historical data to assess past performance on this matter accurately. Despite this, Sustainalytics considers that increasing women in senior management positions from 15.4% in 2021 to 25% in 2025 represents a continued improvement.

Comparing Fugro's SPT 3 against five direct peers, only one out of five had set a similar target. Therefore, Sustainalytics considers SPT 3 to be aligned with Fugro's peers' targets.

¹⁶ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

¹⁷ ICCT, "ZERO-EMISSION SHIPPING AND THE PARIS AGREEMENT: WHY THE IMO NEEDS TO PICK A ZERO DATE AND SET INTERIM TARGETS IN ITS REVISED GHG STRATEGY", (2021), at: <https://theicct.org/zero-emission-shipping-and-the-paris-agreement-why-the-imo-needs-to-pick-a-zero-date-and-set-interim-targets-in-its-revised-ghg-strategy/>

¹⁸ Fugro communicated to Sustainalytics that is planning to increase revenue from renewables by approximately EUR 60 million annually in the following three years, which is in line with the average absolute growth over the past three years.

Overall Assessment

Sustainalytics considers the SPTs to align with Fugro’s sustainability strategy and considers Fugro’s SPT 1 to be moderately ambitious given that it presents a material improvement compared to past performance, aligns with market best practices but is not comparable against science-based targets.

Sustainalytics considers Fugro’s SPT 2 to be moderately ambitious given that it displays limited improvement compared to past performance, it is above peer performance and is not comparable against science-based targets.

Sustainalytics considers Fugro’s SPT 3 to be ambitious given that it represents a continued improvement over past performance and it aligns with peers’ targets.

SPT1: 20% reduction in vessel CO₂ emissions intensity by 2025 vs. 2020	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT2: 50% growth in revenue from renewables by 2024 vs. 2021	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT3: 25% women in senior management positions by 2025	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



Bond/Loan Characteristics

Fugro has disclosed that:

- A coupon adjustment, margin adjustment or a premium payment, in case of a trigger event, will be tied to the Company’s progress on the selected KPIs and achievement of the SPTs. The relevant step-ups, margin adjustments or premium payment amounts, as applicable against the KPIs and SPTs, will be specified in the relevant documentation of the specific transaction (e.g. final terms of a relevant bond).
- Fugro may use different KPIs for different financial instruments at its discretion, including linking some instruments to annual progress on specific KPIs, while other instruments may require other specific measurement dates. For instruments using annual verification of KPIs, such as loans, the SPTs are of private nature and will be agreed upon with the lenders.

Sustainalytics notes that the relevant characteristics of bonds and loans are aligned with the SLBP and SLLP, respectively.



Reporting

Fugro commits to report on its progress on the KPIs and expects to include the relevant figures in an annual report, which is aligned with the SLBP and SLLP. Fugro further commits to disclose relevant information that may enable investors to monitor the progress and ambition of the selected KPIs and SPTs.



Verification

Fugro commits to having an external verifier provide limited assurance against each SPT for each KPI at least once a year, which will be published in Fugro’s annual report. Sustainalytics notes that this is aligned with the SLBP and SLLP on verification.

Section 2: Assessment of Fugro's Sustainability Strategy

Credibility of Fugro Sustainability Strategy

According to Sustainalytics' ESG Risk Rating, Fugro's ESG risk management is strong and its overall score ranks in the top 5% of best-performing companies within its sub-industry. The Company's sustainability management is governed at the Board of Directors level and overseen by the CEO, while the Global Director of Safety & Sustainability is in charge of coordinating the development and implementation of Fugro's sustainability plan.¹⁹ Fugro has been reporting on sustainability initiatives and issues since 2016 in its Annual Report.²⁰

Fugro's operations-related commitments focus on CO₂ emissions reduction and energy consumption as well as recycling and minimizing waste. The Company is targeting carbon neutrality by 2035, encompassing scope 1 and scope 2 GHG emissions by decreasing (i) energy consumption in its offices and facilities and (ii) decreasing the carbon footprint of its vessel fleet. Fugro is expanding its activities related to renewable energy, coastal protection, ocean science, flood control, and urbanization, which can further increase the positive environmental impact of the Company's product offerings.²¹

Fugro has been reporting its sustainability performance to CDP since 2018 (Climate Change disclosure), with the most recent rating being B- and targeting a further improvement for the next iteration of the CDP questionnaire.²² The Company also started to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2020.

On this basis, Sustainalytics considers Fugro to have a strong sustainability strategy and believes that the Framework will further support Fugro to advance it.

Fugro's Environmental and Social Risk Management

Overall, Sustainalytics ESG Risk Rating shows that Fugro's management of ESG issues is strong. Sustainalytics further recognizes that while Fugro's defined targets have a positive impact, its sustainability performance also depends on how it manages its overall material environmental and social risks, including occupational health and safety, the environmental impact of its operations, and bribery and corruption in the countries where Fugro operates.

Sustainalytics believes that Fugro is well-positioned to manage these additional environmental and social risks based on the following:

- Fugro has an HSSE Management System in place, which was updated in 2020.²³ The system has 17 mandatory elements to identify HSSE needs, determine objectives and allocate resources for continuous improvement, covering requirements such as medical support and control and surveillance of risks.²⁴ The system's requirements are mandatory and apply to all Fugro's regions, business and service lines, country organizations and business units.²⁵ In January 2020, Fugro transitioned from its 'Golden Rules of HSSE' towards nine 'Life-Saving Rules', which is an industry-wide initiative to standardize HSSE rules.²⁶ Fugro has a Health and Safety Leadership Excellence course in place to update senior management on the latest health and safety leadership topics and to provide a platform for discussion, including a refresher online e-learning course introduced in 2020.²⁷ The Company's operations are performed in accordance with ISO 45001/OHSAS 18001 (Occupational Health and Safety) and ISM codes (International Management Code for the Safe Operation of Ships).²⁸

¹⁹ Fugro, "Annual Report 2020", at: <https://www.fugro.com/GetMediaItem.ashx?id=7cd5c0f2-f3db-6785-9f9d-ff250019aa6e>

²⁰ Fugro, "Annual Report 2016", at: <https://www.fugro.com/GetMediaItem.ashx?id=817c7ff1-f3db-6785-9f9d-ff250019aa6e>

²¹ Fugro, "Annual Report 2020", at: <https://www.fugro.com/GetMediaItem.ashx?id=7cd5c0f2-f3db-6785-9f9d-ff250019aa6e>

²² Fugro, "ESG Ratings", at: <https://www.fugro.com/about-fugro/sustainability/esg-ratings>

²³ Fugro, "Health, Safety, Security and Environment", at: <https://www.fugro.com/about-fugro/group-overview/health-safety-security-and-environment>

²⁴ Ibid.

²⁵ Fugro, "Health, Safety, Security and Environment Management System Standard", at: https://media.fugro.com/staging-blob-storage/docs/default-source/about-fugro-doc/fnv-hsse-std-00-fugro-hsse-management-system-standard-iss-1-rev-0-with-copyright.pdf?sfvrsn=8908da19_2

²⁶ Fugro, "Health, Safety, Security and Environment", at: <https://www.fugro.com/about-fugro/group-overview/health-safety-security-and-environment>

²⁷ Fugro, "Annual Report 2020", at: <https://www.fugro.com/GetMediaItem.ashx?id=7cd5c0f2-f3db-6785-9f9d-ff250019aa6e>

²⁸ Fugro, "Health, Safety, Security and Environment", at: <https://www.fugro.com/about-fugro/group-overview/health-safety-security-and-environment>

- Fugro recycles its ships only at certified shipyards that monitors the recycling process. The Company has strict procedures in place in compliance with several conventions and EU Regulation 1257/2013. This includes vessel recycling project proposal plans, selecting suitable certified ship recycling facilities and using contract services of Bimco's Recyclecon, which is an industry-standard contract for the sale of vessels for responsible recycling.²⁹
- Fugro has a Code of Conduct that outlines its core values and provides guidance for critical areas of business conduct for employees and contractors.³⁰ The Company has mechanisms in place for reporting misconduct – including anonymously – such as an external reporting line and a Speak Up Procedure that lays out details on how to raise an issue including confidentiality information and reporting channels and procedures.³¹ Fugro's Supplier and Partner Code of Business Principles³² are based on the Company's code of conduct and requires suppliers' and partners' adherence to legal and ethical business practices.³³ Fugro's Anti-Corruption Policy provides guidance and communicates expectations on corruption and how to avoid it.³⁴

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to Fugro. Overall, Sustainalytics considers that Fugro has strong management programmes and policies in place to mitigate the environmental and social risks related to its activities and that could affect its sustainability performance.

Section 3: Impact of the SPTs Chosen

The decarbonization of Fugro's vessel fleet

Sustainalytics notes that 83% of Fugro's scope 1 and 2 emissions are generated from its vessel fleet (owned and chartered). Therefore, SPT 1 is related to the decarbonization of the shipping sector despite Fugro not being directly active in the shipping industry. The international shipping sector is mainly powered by fossil fuels.³⁵ Emissions from the shipping industry were estimated to account for approximately 2.9% of global greenhouse gas (GHG) emissions in 2019 by the IMO, and they are projected to rise to 90-130% by 2025 compared to of 2008 levels.³⁶ Recognizing the need to reduce GHG emissions from the maritime sector to align with the Paris Agreement goals, the IMO set emission reduction targets for the shipping sector in 2018, aiming to reduce the CO₂ intensity across international shipping by at least 40% by 2030 and by 70% by 2050,³⁷ and absolute emissions by at least 50% compared to 2008 levels.³⁸ A study carried out in 2020 estimated that a total investment of USD 1.65 trillion will be required by 2050 to decarbonize the shipping sector.³⁹ Sustainalytics is of the opinion that Fugro's investment in reducing emissions from vessels through adapting ships to run on methanol and replacing heavy vessels with small uncrewed surface vessels for certain operations is expected to contribute to steering the shipping sector towards a low carbon future.

²⁹ Fugro, "Fugro's Responsible Vessel Recycling", at: <https://www.fugro.com/about-fugro/sustainability/responsible-vessel-recycling>

³⁰ Fugro, "Code of Conduct – Our Compass in a Complex World", at: https://media.fugro.com/media/docs/default-source/about-fugro-doc/corporate-governance/code_of_conduct.pdf?sfvrsn=d226e419_14

³¹ Fugro, "Speak Up Procedure", at: https://media.fugro.com/staging-blob-storage/docs/default-source/about-fugro-doc/corporate-governance/uk-speak-up-procedure-april-2018.pdf?sfvrsn=23b0bb19_2

³² Fugro, "Supplier and Partner Code of Business Principles", at: [https://media.fugro.com/staging-blob-storage/docs/default-source/about-fugro-doc/codes-and-regulations/supplier-and-partner-code-of-business-principles-december-2020\(2\).pdf?sfvrsn=15a8bb19_2](https://media.fugro.com/staging-blob-storage/docs/default-source/about-fugro-doc/codes-and-regulations/supplier-and-partner-code-of-business-principles-december-2020(2).pdf?sfvrsn=15a8bb19_2)

³³ Ibid.

³⁴ Fugro, "Policy on Anti-Corruption", at: https://media.fugro.com/media/docs/default-source/about-fugro-doc/codes-and-regulations/policy-on-anti-corruption-september-2017.pdf?sfvrsn=85a70c1a_24

³⁵ International Maritime Organization, Third IMO GHG Study 2014, at: <http://www.imo.org/en/OurWork/Environment/PollutionPrevention/AirPollution/Documents/Third%20Greenhouse%20Gas%20Study/GHG3%20Executive%20Summary%20and%20Report.pdf>

³⁶ IMO, "Fourth IMO Greenhouse Gas Study", at: <https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/Fourth%20IMO%20GHG%20Study%202020%20Executive-Summary.pdf>

³⁷ IMO, "Greenhouse Gas Emissions", at: <https://www.imo.org/en/OurWork/Environment/Pages/GHG-Emissions.aspx>

³⁸ IMO, "Initial IMO GHG Strategy", at: <https://www.imo.org/en/MediaCentre/HotTopics/Pages/Reducing-greenhouse-gas-emissions-from-ships.aspx>

³⁹ UMAS, "Aggregate investment for the decarbonisation of the shipping industry", at: <https://www.globalmaritimeforum.org/content/2020/01/Aggregate-investment-for-the-decarbonisation-of-the-shipping-industry.pdf>

The expansion of Fugro’s business in the renewable energy sector

To keep the global temperature increase below 2°C in line with the Paris Agreement, 65-70% of worldwide primary energy demand would need to be met by low-carbon energy sources by 2050, according to the International Energy Agency (IEA) and the International Renewable Energy Agency (IRENA).^{40,41} Although renewable energy has experienced strong growth worldwide, reaching one-fourth of global electricity generation in 2019,⁴² the rate of deployment must be ramped up to meet international targets. Fugro’s expansion to working with clients in the renewables sector is expected to contribute significantly to decarbonizing the energy sector,⁴³ as renewables are expected to lead to a reduction in energy-related GHG emissions of approximately 70% by 2050, and 90% with the support of advanced energy efficiency and electrification technologies.⁴⁴ GHG emissions from energy (excluding transport) make up 57% of global emissions, according to the World Resources Institute.⁴⁵ In this context, Sustainalytics is of the opinion that Fugro’s efforts to extend its business to cater to the renewable energy sector is expected to contribute to the growth of renewable energy in general, which is crucial for a below 2°C climate scenario.

Importance of gender equality in STEM-related fields

The proportion of women in managerial decision-making positions globally has remained relatively constant at 28% between 1995 and 2019.⁴⁶ According to the World Economic Forum’s Global Gender Gap Report, it will take another 100 years to achieve gender parity considering the current pace of progress on a combination of political representation, gender pay gap and participation in the labour market.⁴⁷ Studies conducted by McKinsey showcased the robust relationship between gender equality practices and resourcing of talented personnel, improved creativity and problem-solving, better decision-making, innovation, and improved organizational performance. The studies also suggest that top performers companies for gender diversity on executive teams were 25% more likely to have above-average profitability.⁴⁸ On average, women are under-represented in the STEM sector,⁴⁹ particularly in physical sciences, computing and engineering.⁵⁰ Sustainalytics considers that Fugro’s efforts to increase women’s representation in senior management roles can increase the representation of women in decision-making processes, influencing a more balanced gender representation within Fugro’s overall workforce.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The Framework is expected to help advance the following SDG goals and targets:

KPI	SDG	SDG Target
Vessel CO ₂ emissions intensity (tonnes CO ₂ per operational day)	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
Revenue from renewables (EUR million)	7. Ensure access to affordable, reliable, sustainable and modern energy for all	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Gender diversity in management positions	5. Gender Equality	5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

⁴⁰ IRENA, “Global Renewables Outlook”, at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Apr/IRENA_Global_Renewables_Outlook_2020.pdf

⁴¹ UNFCCC, “The Paris Agreement”, at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

⁴² IEA, “Global Energy Supply 2020”, at: <https://www.iea.org/reports/global-energy-review-2020/renewables>

⁴³ IRENA, “People, Planet and Prosperity”, at: <https://www.irena.org/publications/2019/Jul/People-Planet-and-Prosperity>

⁴⁴ Ibid.

⁴⁵ Our World in Data, “Emissions by sector”, at: <https://ourworldindata.org/emissions-by-sector>

⁴⁶ United Nations, Department of Social and Economic Development, “The World’s Women 2020: Trends and Statistics”, at: <https://www.un.org/en/desa/world%E2%80%99s-women-2020>

⁴⁷ World Economic Forum, “Global Gender Gap Report 2020”, at: <https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality>

⁴⁸ Fyle, D. (2020), “Diversity wins- how inclusion matters”, McKinsey & Company, at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

⁴⁹ World Economic Forum, “3 things to know about women in STEM”, (2020), at: <https://www.weforum.org/agenda/2020/02/stem-gender-inequality-researchers-bias>

⁵⁰ Pew Research Centre, “STEM Jobs See Uneven Progress in Increasing Gender, Racial and Ethnic Diversity”, (2021), at: <https://www.pewresearch.org/science/2021/04/01/stem-jobs-see-uneven-progress-in-increasing-gender-racial-and-ethnic-diversity/>

Conclusion

Fugro intends to issue sustainability-linked bonds and obtain sustainability-linked loans, tying their financial characteristics, such as coupon adjustment, margin adjustment or premium payment, to the achievements of the following SPTs:

- (1) 20% reduction in vessel CO₂ emission intensity by 2025 vs. 2020
- (2) 50% growth in revenue from renewables by 2024 vs. 2021
- (3) 25% women in senior management positions by 2025

Sustainalytics considers KPI 1, Vessel CO₂ emission intensity, to be adequate; KPI 2, Revenue from renewables, and KPI 3, Gender diversity in management positions, to be strong based on their materiality, relevance, scope of applicability and adequacy to external benchmarking. Sustainalytics considers SPT 1 and SPT 2 to be moderately ambitious and SPT 3 to be ambitious based on past performance and peer performance. Furthermore, Sustainalytics considers reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers the Fugro Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2021, and the prospective achievement of the SPTs to be impactful.

Appendix 1: Sustainability-Linked Bonds - External Review Form

Section 1. Basic Information

Issuer name: Fugro N.V.

Sustainability-Linked Bond ISIN:

Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3): Sustainalytics

Completion date of second party opinion pre-issuance: May 13, 2022

Independent External Review provider's name for post-issuance verification (section 4): not known at the time of publication

Completion date of post issuance verification:

At the launch of the bond, the structure is:

- a step-up structure a variable redemption structure

Section 2. Pre-Issuance Review

2-1 SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review:

- assessed all the following elements (complete review) only some of them (partial review):
- | | |
|--|--|
| <input checked="" type="checkbox"/> Selection of Key Performance Indicators (KPIs) | <input checked="" type="checkbox"/> Bond characteristics (acknowledgment of) |
| <input checked="" type="checkbox"/> Calibration of Sustainability Performance Targets (SPTs) | <input checked="" type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Verification | |
- and confirmed their alignment with the SLBP.

2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Fugro N.V. intends to issue Sustainability-Linked Bonds or borrow Sustainability-Linked Loans, which will tie the financial characteristics of these instruments, such as a coupon adjustment or margin adjustment, or premium payment to the achievements of the following SPTs:

- (1) 20% reduction in vessel CO₂ emission intensity by 2025 vs. 2020
- (2) 50% growth in revenue from renewables by 2024 vs. 2021
- (3) 25% women in senior management positions by 2025

Sustainalytics considers KPI 1, Vessel CO₂ emission intensity (tonnes CO₂ per operational day), to be adequate and KPI 2, Revenue from renewables (EUR million), and KPI 3, Gender diversity in management positions, to be strong based on their materiality, relevance, scope of applicability and adequacy to external benchmarking. Sustainalytics considers SPT 1 and SPT 2 to be moderately ambitious and SPT 3 to be ambitious based on past performance and peer performance. Furthermore, Sustainalytics considers reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers Fugro Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2020, and Sustainability-Linked Loan Principles 2021, and the prospective of achievement of the SPTs to be impactful.

Section 3. Detailed pre-issuance review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)

Overall comment on the section (if applicable): Fugro’s Sustainability-Linked Financing Framework includes three KPIs: (i) Vessel CO₂ emission intensity, (ii) Revenue from renewables and (ii) Gender diversity in management positions (see Table 1). Sustainalytics considers KPI 1 to be adequate and KPI 2 and KPI 3 to be strong based on their materiality, relevance, scope of applicability and adequacy to external benchmarking.

List of selected KPIs:

- Vessel CO₂ emission intensity (tonnes CO₂ per operational day)
- Revenue from renewables (EUR million)
- Gender diversity in management positions

Definition, Scope, and parameters

- Clear definition of each selected KPIs
- Clear calculation methodology
- Other (please specify):

Relevance, robustness, and reliability of the selected KPIs

- Credentials that the selected KPIs are relevant, core and material to the issuer’s sustainability and business strategy.
- Evidence that the KPIs are externally verifiable
- Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis
- Evidence that the KPIs can be benchmarked
- Other (please specify):

3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section (if applicable): Sustainalytics considers the SPTs to be aligned with Fugro N.V.'s sustainability strategy. Sustainalytics further considers SPT 1 and SPT 2 to be moderately ambitious and SPT 3 to be ambitious based on past performance and peer performance.

Rationale and level of ambition

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer's sustainability and business strategy | <input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline |
| | <input type="checkbox"/> Other (please specify): |

Benchmarking approach

- | | |
|--|--|
| <input checked="" type="checkbox"/> Issuer own performance | <input checked="" type="checkbox"/> Issuer's peers |
| <input checked="" type="checkbox"/> reference to the science | <input type="checkbox"/> Other (please specify): |

Additional disclosure

- | | |
|--|--|
| <input checked="" type="checkbox"/> potential recalculations or adjustments description | <input checked="" type="checkbox"/> issuer's strategy to achieve description |
| <input type="checkbox"/> identification of key factors that may affect the achievement of the SPTs | <input type="checkbox"/> Other (please specify): |

3-3 BOND CHARACTERISTICS

Overall comment on the section (if applicable): Fugro N.V. has disclosed that the sustainability performance of the Company against selected KPIs and SPTs will be tied to a coupon adjustment or margin adjustment, or a premium payment, in case of a trigger event, which is aligned with the SLBP and SLLP.

Financial impact:

- variation of the coupon
- Premium payment
- Other (please specify): margin adjustment

Structural characteristic:

- Other (please specify):

3-4 REPORTING

Overall comment on the section (if applicable): Fugro N.V. commits to reporting its performance on the KPIs in its Annual Report. Fugro N.V. commits to disclose relevant information that affects the KPI performance or that may enable investors to monitor the progress and ambition of selected SPTs and KPIs. The reporting commitments are aligned with the SLBP.

Information reported:

- | | |
|--|---|
| <input checked="" type="checkbox"/> performance of the selected KPIs | <input checked="" type="checkbox"/> verification assurance report |
| <input type="checkbox"/> level of ambition of the SPTs | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Means of Disclosure

- | | |
|---|--|
| <input checked="" type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the “useful links” section.

Level of Assurance on Reporting

- | | |
|---|---|
| <input checked="" type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance |
| <input type="checkbox"/> Other (please specify): | |

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

Section 4. Post-issuance verification

Overall comment on the section (if applicable):

Information reported:

- | | |
|--|---|
| <input type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- Annual
- Other (please specify):
- Semi-annual

Material change:

- Perimeter
- SPTs calibration
- KPI methodology

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

