



Groupe Derichebourg Green Bond Allocation and Impact report

Context

Derichebourg S.A., a *société anonyme* organized under the laws of France, having its registered office at 119, avenue du Général Michel Bizot, 75012 Paris, France (the “Issuer”) has offered (the “Offering”) €300.0 million aggregate principal amount of its 2.250% senior notes due 2028 (the “Notes”) as part of the financing of the acquisition (the “Acquisition”) by Derichebourg Environnement (French *société par actions simplifiée* having its registered office located at 119, avenue du Général Michel Bizot 75012 Paris, France and registered with the Paris Trade and Companies Registry under number 491 974 861 RCS Paris), a wholly-owned direct subsidiary of the Issuer, of the entire issued share capital of Groupe Ecore Holding S.A.S. (“GEH”), the holding company of the Ecore group (“Ecore”). The Issuer indirectly owns, from December 17th, 2021 on, the date on which the Acquisition has been consummated (the “Acquisition Completion Date”), 100% of the issued share capital of GEH.

The Notes were issued pursuant to an indenture (the “Indenture”) dated as of June 24, 2021 (the “Issue Date”) among, *inter alios*, the Issuer and Citibank, N.A., London Branch as trustee (the “Trustee”). The Notes will mature on July 15, 2028. The Issuer pays interest on the Notes semi-annually in arrear on January 15 and July 15 each year, commencing on January 15, 2022.

Allocation Report

Derichebourg announced on December 17th, 2021 the completion of the acquisition of the entire capital of Groupe Ecore Holding S.A.S. Exclusive discussions between Derichebourg Environnement and GEH’s shareholders were announced on December 30th, 2020 and formalized by an agreement on March 1st, 2021. The acquisition has received the approval of the various competent European and international competition authorities.

Since Ecore’s facilities have been integrated into Derichebourg Environnement’s centralized IT system, Derichebourg group can assert that more than 90% of Ecore’s revenue is derived from activities falling in any of Green Bond category and thus can be considered as a Pure Player and its acquisition eligible as a use of proceeds of the Green Bond.

	Total
Material recovery from non-hazardous waste	90,49%
Recycling of end-of-life batteries	5,10%
Others	4,40%
Green bond categories	95,60%

100% the € 300.000.000 (net of issuance costs) proceeds were allocated to the acquisition of Groupe Ecore Holding S.A.S, and as a consequence, none to the refinancing of existing Eligible Green Project.

	Allocation of proceeds
Acquisition of Groupe Ecore Holding S.A.S	100%
Refinancing of existing Eligible Green Projects	0%
Unallocated proceeds invested in cash or cash equivalents	0%

Impact report

Since Ecore's recycling facilities have been integrated to Derichebourg Environnement's centralized IT system, the latter has been able to verify that Ecore recovers more than 50% of the input volume from non-hazardous waste and recycles end-of-life batteries. As such Ecore activities respect the substantial contribution to climate change mitigation criteria and can be considered as green.

Ecore ferrous and non-ferrous metal waste treatment is clearly beneficial to the environment as secondary metal on a life-cycle analysis save CO2 and energy. According to Ademe, The French Agency for Ecological Transition, savings related to secondary metals vs primary metals (produced with ore) can be estimated to 94% for aluminium and 40% for steel in terms of energy and 93% and 58% in terms of CO2 emissions. The absolute and relative saving figures have been released in its 2017 "Évaluation environnementale du recyclage en France selon la méthodologie de l'analyse de cycle de vie"¹ (Environmental assessment of recycling in France using life cycle assessment methodology).

Applying Ademe's life cycle analysis figures to the volumes of Ecore facilities since their integration into Derichebourg Environnement's centralized IT system, Derichebourg group can assert that the use of Ecore products have allowed the savings of at least:

- 2 107 824 MWh in energy
- 924 385 tons of CO₂ equivalent emissions

¹ Available at https://presse.ademe.fr/wp-content/uploads/2017/05/FEDEREC_ACV-du-Recyclage-en-France-VF.pdf