


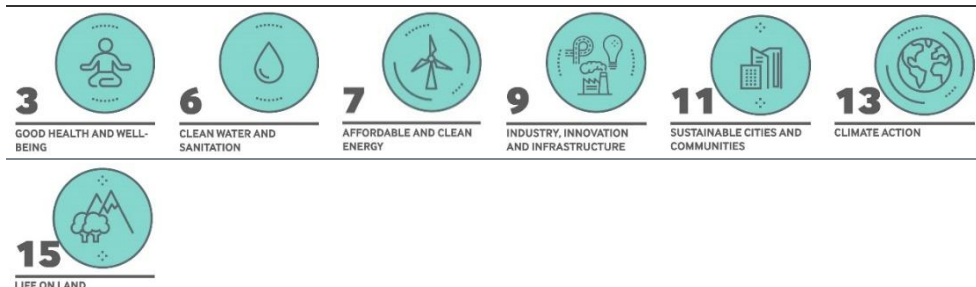
Companhia Catarinense de Águas e Saneamento S.A.

Second-Party Opinion — Sustainable and Blue Finance Framework

Companhia Catarinense de Águas e Saneamento S.A. (Casan) is a water and wastewater utility company that operates primarily in Santa Catarina, Brazil. It updated its sustainable and blue finance framework in November 2025 and includes green and social use of proceeds (UoP) categories. The instruments that will be issued are aligned with the core pillars of the ICMA, LMA, LSTA and APLMA green and social principles.

<div> <div>Excellent</div> <div>Good </div> <div>Aligned</div> <div>Not Aligned</div> </div>		
Pillar	Alignment	Key Drivers
Use of Proceeds	Good	<ul style="list-style-type: none"> All categories in Casan's framework align with the eligible green and social projects of the principles and guidelines listed in the right-hand column. Investments to improve and increase water supply and sewage collection and treatment, reduce leakage rates, expand renewable energy generation and protect water resources have positive environmental and social impacts. The social UoP will benefit a vulnerable population, which is highly positive.
Use of Proceeds – Other Information	Excellent	<ul style="list-style-type: none"> At least 50% of the proceeds will be allocated to new projects. Sustainable Fitch considers financing long-term infrastructure projects positive, since the environmental and social benefits are lasting. The framework has a comprehensive exclusion list.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> The project evaluation and selection process is well-defined and aligned with market best practices, involving various departments and has final approval by the executive board.
Management of Proceeds	Excellent	<ul style="list-style-type: none"> The proceeds will be deposited in a segregated bank account, providing greater transparency for investors. The framework defines a 12-month substitution process for projects that no longer meet eligibility criteria.
Reporting and Transparency	Good	<ul style="list-style-type: none"> Casan will publish an annual allocation and impact report, with bond- or loan-specific and category-based information. The allocation report will be verified annually by an independent third party. The verification scope does not include impact indicators.

Relevant UN Sustainable Development Goals



Framework Type	Sustainability
Alignment	<ul style="list-style-type: none"> ✓ Green Bond Principles 2025 (ICMA) ✓ Social Bond Principles 2025 (ICMA) ✓ Sustainability Bond Guidelines 2021 (ICMA) ✓ Green Loan Principles 2025 (LMA/LSTA/APLMA) ✓ Social Loan Principles 2025 (LMA/LSTA/APLMA) ✓ Guide on Sustainable Bonds' Offering 2022 (ANBIMA) ✓ Guidelines for Blue Finance 2025 (IFC)

Date assigned 19 November 2025

SPO Methodology

See Appendix B for definitions.

The Portuguese version of this report (published on 19 November 2025) is the original document; all versions in other languages are translations and are provided for the purposes of convenience only. All may have been used for this translation. In case of any conflict between the original version and the translated version, the original version shall prevail.

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Use of Proceeds Summary – ICMA Categories

Green	Sustainable water and wastewater management Renewable energy Pollution prevention and control Conservation of terrestrial and aquatic biodiversity
Social	Affordable basic infrastructure

Source: Casan sustainable and blue finance framework (November 2025)

Framework Highlights

We consider the bonds to be issued and loans to be contracted under Casan's sustainable and blue finance framework, published in November 2025, to be aligned with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG); LMA, LSTA and APLMA Green Loan Principles (GLP) and Social Loan Principles (SLP); the International Finance Corporation's (IFC) Guidelines for Blue Finance; and the Brazilian Financial and Capital Markets Association's Guide on Sustainable Bonds' Offering. In our opinion, the alignment of Casan's framework with these principles is 'Good'.

The company may issue and contract green, blue, social or sustainable bonds and loans under its framework. The UoP categories align with the ICMA, LMA, LSTA and APLMA's recommended project categories. Casan will allocate the funds raised under its framework to finance either capex or opex related to water and sewage treatment plants and related infrastructure, R&D expenses for new products or solutions that bring environmental and social benefits, solar and hydroelectric power generation, and projects for the conservation and revitalisation of water basins.

We consider water collection, treatment and distribution projects and projects to expand sewage collection and treatment under the framework to be aligned with the IFC's Guidelines for Blue Finance, published in 2025. The other green categories in the framework have a positive environmental impact but are not eligible under the IFC's Guidelines for Blue Finance. In our view, blue debt instruments are a sub-category of green instruments.

We consider it positive that all UoP categories contribute directly to the UN Sustainable Development Goals (SDGs). These are detailed in each eligible category throughout this report.

Processes related to project evaluation and selection, proceeds management, and reporting are also well described in the framework and aligned with the ICMA GBP, SBP and SBG and the LMA, LSTA and APLMA GLP and SLP.

These principles recommend that eligible projects be clearly described in the legal documentation of a green or social finance transaction. We have not reviewed the documentation relating to a specific transaction, but the framework describes eligible projects. Our Second-Party Opinion refers exclusively to the framework.

The text presented in the "company material" section of this report is not necessarily the original text of the framework. We may have summarised parts of the original text and had the content approved by Casan prior to the publication of the report.

Source: Sustainable Fitch, Casan sustainable and blue finance framework (November 2025)

Entity Highlights

Casan is a utility service provider, focusing on water supply and basic sanitation services. Its shares are listed on the Brasil, Bolsa, Balcão (B3) stock exchange and has the Government of the State of Santa Catarina as its main shareholder, holding 90.4% of the shares. In 2024, it operated in 193 municipalities in Santa Catarina and one municipality in Paraná, serving 2.9 million people – 46% of the population of Santa Catarina.

Casan manages, operates and maintains around 245 water supply plants and 42 sewage systems. The company employs around 2,700 people, including directly employed staff and subcontractors. In 2024, its revenue totalled BRL1.9 billion (USD360 million).

Ensuring access to universal sustainable water and sanitation services is a cornerstone of the UN's 2030 Sustainable Development Agenda, and this goal is specifically described in SDG 6 (clean water and sanitation).

Investments in universal water supply and sewage services are important to improve public health by reducing water-related diseases and illnesses. Improvements to water treatment and distribution systems can also improve energy efficiency, reduce GHG emissions and water losses, and help conserve water bodies and biodiversity. 2023 data from the National Basic Sanitation Information System (Sistema Nacional de Informações em Saneamento Básico; Sinisa) indicated that more than 16% of Brazilians do not have access to water supply services and about 40% are not connected to sewage networks.

Brazil's New Regulatory Framework for Sanitation, established by Federal Law No. 14,026 of 2020, set a goal to ensure that 99% of the Brazilian population had access to drinking water and 90% are connected to sewage collection and treatment services by 2033. Santa Catarina is one of the states with the highest per capita income in Brazil, according to Sinisa, but around 10% of its inhabitants still do not have access to water supply networks and only 29% of households are connected to sewage collection networks. Based on this, it is essential to expand water supply and sewage treatment systems in the state.

Casan's strategy is to expand its water and wastewater services, improve its operational processes and enhance the quality of products and services provided. This strategy aligns with its mission to promote the health, comfort and quality of life of Santa Catarina's population; encourage sustainable development; and support Brazil's goals for access to water and sanitation services, as outlined in the country's 2014–2033 National Basic Sanitation Plan (Plano Nacional de Saneamento Básico; Plansab).

Plansab encompasses an integrated strategy for expanding and improving the supply of drinking water, sewage services, garbage collection, waste management (including solid waste), drainage and rainwater management services throughout Brazil. Plansab estimates that it is necessary to invest BRL7.3 billion (USD1.384 billion) in water supply systems and BRL5.1 billion (USD967 million) in sewage systems by 2033 for Santa Catarina to meet the goals of Brazil's New Regulatory Framework for Sanitation.


The water service coverage rate for the urban population in municipalities where Casan operates, 97.7% of the target population, is above the national average of 93.3% and the average of 96.9% for the entire state of Santa Catarina. Furthermore, its water leakage rate, at 34.04%, is below the state average of 35.3% and the national average of 40.3%.

Casan's sewage service coverage rate for the urban population is 31.4%, well below the national average of 67.5%, and below the state average of 39.5%. The company's goal is to increase coverage to ensure that 90% of the population of Santa Catarina has access to sanitation services by 2033.

Bonds and loans under Casan's framework will fund investments that support Plansab's goals, which represents Brazil's main objective to guarantee universal access to water and sewage services in the country and support Santa Catarina's efforts to improve the living conditions of its population.

Source: Sustainable Fitch, Casan sustainable and blue finance framework (November 2025), Casan sustainability report 2024



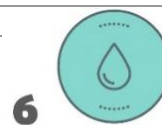
Use of Proceeds – Eligible Projects		Alignment: Good
Company Material		Sustainable Fitch's View
Sustainable water and wastewater management		
<ul style="list-style-type: none"> Design, construction, operation, maintenance, improvement, enlargement and adaptation for efficient and sustainable management of water and wastewater. Investments in this category will be eligible when used for water loss reduction and increased energy efficiency. Network systems for monitoring water resources, flood control, weather and atmospheric conditions. Investments in R&D and implementation of clean water and wastewater systems. 	<ul style="list-style-type: none"> We consider these projects to be aligned with the sustainable water and wastewater management category of the ICMA GBP and the LMA, LSTA and APLMA GLP. This UoP has a positive environmental impact, as providing water and sewage services and managing water resources are important for improving public health, protecting the ecosystem and preserving water supply security. Financing these essential environmental services supports access to quality water and sanitation services for all, reducing the number of cases of diseases caused by contaminated water, contributing directly to SDG 6. Investments in reducing losses and increasing the energy efficiency of water distribution systems are essential to improve water resource management and enhance the quality of services provided. Casan's water leakage rate of 34.04% is lower than the average of 35.3% in Santa Catarina and the national average of 40.3%. The greater the leakage rate reduction, the greater the positive environmental impact in our view, as it contributes to preserving water resources. The framework does not establish minimum criteria for improving energy efficiency and reducing water leakage. Recognised international environmental taxonomies establish minimum substantial contribution criteria for activities to be sustainable. Despite this, the company confirmed that the water distribution projects will reduce its leakage rate by at least 10% compared to a project-specific baseline, and the water collection and treatment investments will increase the system's efficiency by at least 10%. These commitments corroborate the projects' alignment with the IFC's Guidelines for Blue Finance. The UoP also includes investments in hydrometeorological monitoring; water withdrawal instruments; and operation of stations to assist with rainfall monitoring, data collection related to water levels and other meteorological information. Casan will use this information to guide its actions and adapt to extreme weather events and changes in climate patterns. Climate change adaptation investments are relevant to Casan's activities in our view, as they ensure that its infrastructure remains resilient to changing weather patterns and capable of providing good and affordable levels of service. These investments contribute directly to SDG 13 (climate action). Furthermore, this UoP includes R&D investments, which directly contribute to SDG 9 (industry, innovation and infrastructure). This research aims to expand the implementation of the company's water distribution and wastewater treatment systems. 	 6 CLEAN WATER AND SANITATION  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  13 CLIMATE ACTION
Renewable energy		
<ul style="list-style-type: none"> Improve the consumption of renewable energy. 	<ul style="list-style-type: none"> We consider these projects to be aligned with the renewable energy category of the ICMA GBP and the LMA, LSTA and APLMA GLP. This UoP has a positive environmental impact, as renewable energy contributes to the transition to a low-carbon economy. Financing renewable energy generation projects contributes to climate change mitigation, in line with SDG 7 (affordable and clean energy). According to Casan, the UoP includes solar energy projects and the acquisition of equipment for the generation of hydroelectric power. 	 7 AFFORDABLE AND CLEAN ENERGY



- Renewable energy generation projects using solar power are directly aligned with internationally recognised environmental taxonomies. These projects are directly eligible under these taxonomies as the GHG emissions throughout their life cycles are significantly lower than those of fossil fuel-based generation.
- The taxonomies determine minimum substantial contribution criteria for hydroelectric power generation activities to be sustainable. These criteria are related to the power density of the installation and maximum levels of GHG emissions throughout the installation's life cycle. Casan has no information yet about the projects that will be financed under the framework.

Pollution prevention and control

- Design, construction, operation, maintenance, improvement, enlargement and adaptation for efficient management of sewage, collection, treatment and final disposal. Investments in this category will be considered mechanisms for methane and GHG emissions control.
- Management and reuse of sludge to promote a circular economy.
- We consider these projects to be aligned with the pollution prevention and control category of the ICMA's GBP and the LMA, LSTA and APLMA GLP.
- This UoP has a positive environmental impact, as wastewater collection and treatment services reduce pollution and contamination of water bodies, oceans and soil. These essential services also help eliminate contaminants, nitrogen, phosphorus and other pollutants that spread waterborne diseases and pose a risk to human health.
- Financing these environmental services supports access to wastewater services, directly contributing to SDGs 6 and 11 (sustainable cities and communities).
- Recognised international environmental taxonomies determine certain technical requirements related to energy consumption levels, improvements on treatment plants' capacity and reduction of GHG emissions that must be met for wastewater service provision to be a sustainable activity.
- Casan acknowledges that energy efficiency and GHG emission rates are material environmental considerations for the company but has not yet made public commitments to this agenda. However, the commitment to ensure that investments associated with these projects will help contain methane and GHG emissions is positive. Setting targets focused on the energy consumption of eligible sewage networks would allow for an even more positive assessment.
- Financing projects for the provision of sewage collection and treatment services is aligned with the IFC's Guidelines for Blue Finance, published in 2025.
- This UoP also includes projects for sludge management and reuse to promote the circular economy. The company conducted innovation studies, such as the use of sludge in reforestation activities. These R&D investments contribute directly to SDG 9.



6
CLEAN WATER AND
SANITATION



9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11
SUSTAINABLE CITIES AND
COMMUNITIES

Conservation of terrestrial and aquatic biodiversity

- Conservation and revitalisation of the environment and water basin systems.
- We consider these projects to be aligned with the terrestrial and aquatic biodiversity conservation category of the ICMA GBP and the LMA, LSTA and APLMA GLP.
- Conservation and revitalisation of the environment and water basin systems bring environmental benefits, as they preserve the ecosystem, contribute to the sequestration of GHG emissions and increase the supply of high-quality water resources. Human activity causes constant degradation of natural ecosystems, so restoring them is essential to combat the effects of climate change.
- Water basin systems provide natural protection for water bodies. Their conservation and protection prevent river erosion, reduce the presence of sediments and pollutants brought by rainwater, filter contaminating substances and allow the replenishment of aquifers. This improves water quality and ensures the continuity and regulation of water flow during periods of drought and flooding.






6
CLEAN WATER AND
SANITATION



15
LIFE ON LAND



	<ul style="list-style-type: none"> This UoP contributes to SDGs 6 and 15 (life on land) by protecting and restoring water-related ecosystems. 	
Affordable basic infrastructure		
<ul style="list-style-type: none"> Infrastructure for clean and/or drinking water, wastewater treatment and urban drainage systems for a target population. The target population for these investments is the population residing in the surrounding areas of Casan's activities. Providing access to basic infrastructure, such as access to clean water and to sanitation. The target population for these investments is any unserved population. Extending social tariffs to more beneficiaries. The target population for these investments is beneficiaries enrolled in the Brazilian government's registry for social programmes, known locally as "Cadastro Único". Generate jobs and income for local populations. The target population for these investments is the population residing in the surrounding areas of Casan's activities. Provide better health and quality of life with the expansion of basic sanitation services. The target population for these investments is the population residing in the surrounding areas of Casan's activities. 	<ul style="list-style-type: none"> These projects are aligned with the affordable basic infrastructure category of the ICMA SBP and the LMA, LSTA and APLMA SLP. Urban water service coverage in municipalities where Casan operates, at 97.7% of the target population, is above the national average of 93.3% and the average of 96.9% for Santa Catarina. However, the sewage service coverage rate for the urban population is 31.4%, well below the national average of 67.5% and below the state average of 39.5%. Casan's goal is to increase coverage to ensure that 90% of the population of Santa Catarina has access to sanitation services by 2033. Expanding access to high-quality drinking water and basic sanitation services in the municipalities served by Casan will generate positive social impacts, reducing the portion of the population of Santa Catarina that lacks essential services and health problems associated with the lack of sanitation. Expanding these services directly contributes to SDGs 3 (good health and well-being), 6 and 11. Populations not connected to water and wastewater services and those registered in the Cadastro Único programme are vulnerable in our view. Investments focused solely on these populations have a greater level of positive social impact. Reducing the cost of accessing essential services through favourable tariffs generates a positive social impact. These favourable tariffs, referred to as "social tariffs" by the federal government, are 50% lower than normal rates. Beneficiaries are selected according to criteria defined in Law No. 14,898 of 2024. Eligible users are those with a per capita income of up to half the minimum wage who belong to a low-income family registered in the Cadastro Único and those who belong to a family that has beneficiaries of the "Continuous Benefit Payment" government programme among its members. 	<div>  <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div>  <p>6 CLEAN WATER AND SANITATION</p> </div> <div>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div>
Source: Casan sustainable and blue finance framework (November 2025)	Source: Sustainable Fitch	



Use of Proceeds – Other Information

Company Material

- The company intends to allocate an amount equal to the net proceeds of any sustainable finance instruments (SFIs) to the financing or refinancing, in whole or in part, of existing and/or future eligible green, social, blue and/or sustainable projects/investments that carry clear beneficial components to the environment and/or society.
- Eligible investments will include expenditures beginning on the issuance date of the applicable SFI and those that have been completed within 24 months preceding the issuance date. The company intends to fully allocate an equal amount of the net proceeds of any labelled instrument as soon as possible but within 36 months of the issuance.
- Transactions related to eligible investments will be subject to compliance with applicable laws and regulations and Casan's policies.
- The company will not pursue or facilitate any of the investments listed below:
 - investments that use irregular and/or illegal practices involving child or youth labour, or that submit employees to degrading conditions or conditions analogous to slave labour;
 - investments in any project or activity that directly or indirectly violates the rights of Indigenous and traditional peoples and communities;
 - investments whose business partners do not operate in compliance with Federal Law 12.846/2013 (Anticorruption Law);
 - investments related to the acquisition or generation of electricity based on fossil fuels or on coal or fuel oil heating systems;
 - investments related to nuclear activities/waste; and
 - production or commercialisation of any product or activity considered illegal under national or international laws or regulations, conventions and agreements signed by Brazil.
- Investments in any of the activities listed above will be excluded from this framework and will not be used for the purposes of labelled instruments issued by the company.

Source: Casan sustainable and blue finance framework (November 2025)

Alignment: Excellent

Sustainable Fitch's View

- The framework establishes that the proceeds raised may finance new projects or refinance existing initiatives. Casan commits to allocating at least 50% of the funds to new projects. The greater the share of new projects financed, the more positive the impact will be in our view. We consider the financing of long-term infrastructure projects to be positive, since their environmental and social benefits are lasting.
- The framework defines a lookback period of 24 months, which is aligned with standard market practices.
- Casan commits to allocating the proceeds within 36 months of them being raised through debt instruments, in line with market practices.
- The list of excluded projects is well defined in the document and excludes illegal practices, investments in fossil fuels or coal or fuel oil heating systems, investments in nuclear activities, and activities considered illegal by international agreements.
- Positively, based on information provided by the issuer, the documentation for the bonds and loans under the framework includes a clause outlining Casan's commitment to ensuring that all relevant environmental licenses are in place with respect to the projects to be financed. Compliance with required environmental monitoring programmes will also be ensured.

Source: Sustainable Fitch

Evaluation and Selection

Company Material

- Eligible investments financed under this framework will be analysed according to the eligibility criteria as described in the "UoP" section.
- The company is responsible for nominating eligible investments through an internal decision-making process that will be used to qualify projects inherent to water supply and for projects related to sewage collection and treatment.
- The investments will be conducted and monitored by different areas that work in partnership to ensure that all necessary information concerning the eligible investments is considered, and their activities may be simultaneous with other areas or not.
- The environmental management team will be responsible for evaluating investments to determine their compliance with eligibility criteria, including adherence to legislation. Following this assessment, the executive board will be responsible for determining which eligible investment will be financed through SFIs.
- The operations and expansion team will oversee the execution of eligible investments, while the environmental team will measure the social and environmental impact of these investments. Compliance and internal processes will be supervised by the compliance, internal controls and risk management department. The financial and investor relations department will manage the use of proceeds and report on the impact of SFIs to the board of directors and investors, consulting with other departments to gather and report specific information.

Alignment: Excellent

Sustainable Fitch's View

- The project evaluation and selection process is aligned with the ICMA and the LMA, LSTA and APLMA guidelines and principles.
- Projects will be evaluated and selected according to a process that incorporates recommendations and inputs from executives working in various departments within Casan, including the environmental management team and the executive board. This multidisciplinary approach increases the credibility and transparency of the process and allows for more balanced decisions, in line with market best practices.
- The environmental management team plays a key role in the evaluation and selection process. It determines compliance with the framework's eligibility criteria, assesses adherence to local legislation, and evaluates the environmental and social impact of financed projects. The involvement of the environmental team in the project evaluation process contributes to the correct allocation of proceeds and the fulfilment of eligibility criteria, in line with market best practices.
- The ultimate responsibility for disbursing funds rests with Casan's executive board. We consider this positive, as it ensures a high degree of involvement from senior management and creates a decision-making process across multiple fronts.



Evaluation and Selection

Alignment: Excellent

Company Material

- The investments evaluation and selection process will be based on the knowledge and expertise of the company's teams. Projects will be assessed to verify their compliance with current legislation, such as the Basic Sanitation Legal Framework, applicable state and municipal laws, as well as Casan's governance and procedures. In addition, eligible investments must obtain all applicable licenses and permits, including operational and environmental ones.

Sustainable Fitch's View

Source: Casan sustainable and blue finance framework (November 2025)

Source: Sustainable Fitch

Management of Proceeds

Alignment: Excellent

Company Material

- An equal amount of the net proceeds raised with the issuance of any SFIs will be allocated to eligible investments until the maturity date of the respective instrument. The company is committed to use its best efforts to fully allocate the net proceeds within 36 months from the issuance date of the respective instrument.
- The net proceeds will be monitored by the financial team continuously during the life of each SFI.
- Until full allocation, the company will maintain an equal amount to the unallocated balance of the SFIs in cash, cash equivalents or low-risk liquid investments (government bonds or financial institutions rated A by the major risk agencies).
- If any of the eligible investments become non-eligible after any SFI's issuance, the issuer will redirect the proceeds to another eligible investment within 12 months. The documentation for each SFI issuance may include specific clauses that impose fines and/or other penalties if the 11 proceeds raised are not used and/or directed towards eligible investments listed in this framework.

Sustainable Fitch's View

- The management of proceeds process aligns with the guidelines and principles of the ICMA and the LMA, LSTA and APLMA.
- According to Casan, funds raised through instruments under the framework will be deposited into a specific Casan bank account dedicated for this purpose. This provides greater traceability and transparency to investors and is aligned to market best practices.
- Information provided by the issuer indicated that disbursements will be made upon approval by the operations area and the finance director. Disbursements and allocations will be verified either by independent auditors or by a representative of a multilateral development bank if the financing has been provided by that institution. Auditing disbursements ensures greater accountability and transparency, in line with market best practices.
- Unallocated proceeds will be held in cash, cash equivalents or invested in low-risk liquid assets. Temporary investment in sustainable liquid assets would align with best practices, as it would keep resources in assets that also generate socioenvironmental benefits. Despite this, it is positive that the company commits to not temporarily allocating proceeds to activities included in the exclusion list or that are not aligned with the socioenvironmental objectives defined in the framework.
- Positively, the framework defines a process for replacing projects that are no longer eligible. This replacement should occur within 12 months, in line with standard market practices.
- The framework also establishes that fines or penalties may be imposed if resources are directed to ineligible projects. The extent of the application of fines and penalties will depend on the financial instrument and will be defined in the relevant documentation for securities or loans. This practice is in line with market best practices.

Source: Casan sustainable and blue finance framework (November 2025)

Source: Sustainable Fitch

Reporting and Transparency

Alignment: Good

Company Material

- Annually, the company will report the allocation of any SFIs raised and the estimated impact of the eligible investments to its stakeholders in an allocation and impact report.
- The SFI report can be presented in the annual sustainability report, in management reports and/or in a specific document. In any case, such SFI report will be made publicly available on the company's website. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the company will present the information in generic terms or on an aggregated portfolio basis.
- The company commits to disclose all material information in accordance with the applicable legislation, its contractual obligations and, whenever possible, guided by the ICMA's Harmonised Framework for Impact Reporting.

Sustainable Fitch's View

- The reporting commitments defined in the framework align with the guidelines and principles of the ICMA and the LMA, LSTA and APLMA.
- Casan will publish an annual allocation and impact report until full allocation of proceeds, in line with market best practices. This will provide investors with a transparent and continuous monitoring tool.
- The framework defines a list of impact indicators, most of which are aligned with the ICMA's Harmonised Framework for Impact Reporting, published in June 2023. The impact indicators included are measurable, relevant and appropriate to the categories defined in the framework.
- The company may publish reports for each instrument individually or include all instruments labelled under the framework for the year in question in a single report. In the latter case, allocation and impact information will be segregated by instrument, in line with market best practices.



Reporting and Transparency

Alignment: Good

Company Material

- The allocation report will include, but not necessarily be limited to, information on:
 - percentage of proceeds allocated to eligible investments either individually or by category;
 - the share of net proceeds used for financing compared to refinancing;
 - percentage of proceeds temporarily allocated to other financial instruments; and
 - the outstanding amount of net proceeds to be allocated to eligible projects at the end of the reporting period.
- This information will be provided annually until the full allocation of proceeds.
- The impact report may include one or more of the indicators listed in the framework, which show the direct and/or indirect benefits generated by the investments.
- The annual report will have an independent and external verification provided by a qualified independent external reviewer to verify the internal tracking and the allocation of funds ("Post Issuance - External Reviewer").

Source: Casan sustainable and blue finance framework (November 2025)

Sustainable Fitch's View

- Information disclosed will be segregated by project category. Casan confirmed that allocations for large projects will be reported individually, in line with market best practices. However, the allocation reports will follow a category-based approach if this situation is not manageable, for example, if numerous investments are financed or if the investment is directed to confidential projects. A detailed breakdown of information for specific projects financed by each instrument would provide investors with an additional level of information.
- The resource allocation report will be verified annually by an independent third party, which brings credibility and transparency to investors. However, the scope of the verification does not include impact indicators, which negatively affects our assessment.

Source: Sustainable Fitch



Relevant UN Sustainable Development Goals

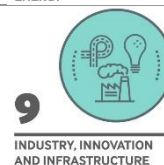
- **3.3:** By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.
- **3.9:** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- **6.2:** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- **6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
- **6.6:** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.



- **9.5:** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.



- **11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
- **11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



- **15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.



Source: Sustainable Fitch, UN



Appendix A: Principles and Guidelines

Type of Instrument: Sustainability	
Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.
1) Use of Proceeds (UoP)	
Renewable energy	Yes
Energy efficiency	No
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	No
Terrestrial and aquatic biodiversity conservation	Yes
Clean transportation	No
Sustainable water and wastewater management	Yes
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	No
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.
Use of Proceeds as per Social Bond Principles (SBP)	
Affordable basic infrastructure	Yes
Access to essential services	No
Affordable housing	No
Employment generation (through SME financing and microfinancing)	No
Food security	No
Socioeconomic advancement and empowerment	No
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.
Target Populations	
Living below the poverty line	No
Excluded and/or marginalised populations and /or communities	No
People with disabilities	No
Migrants and/or displaced persons	No
Undereducated	No
Under-served, owing to a lack of quality access to essential goods and services	Yes
Unemployed and/or workers affected by climate transition	No
Women and/or sexual and gender minorities	No
Ageing populations and vulnerable youth	No



Type of Instrument: Sustainability

Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	No
Other	n.a.

2) Project Evaluation and Selection

Evaluation and Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability

Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds

Tracking of Proceeds	
Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Additional Disclosure

Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting

UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported

Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	Share of net proceeds used for financing compared to refinancing, percentage of proceeds temporarily allocated to other financial instruments, outstanding amount of net proceeds



Type of Instrument: Sustainability

	to be allocated to eligible projects at the end of the reporting period
UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Impact Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.
Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	No
Decrease in water use	Yes
Other ESG indicators	Collected and treated sewage (m ³ /year), annual absolute amount of sludge that is reused, population served, etc.
Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.
Note: n.a. – not applicable. Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA	

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance



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