

SCOPE

Région Occitanie (the "Région" or the "Issuer") is contemplating the issuance of a Green and Social Bond (the "Bond"). The purpose of the issue is to finance projects of ecological and energy transition, natural resources protection, social action, and education and culture. The Issuer has created a "Green and Social Bond Framework" ("the "Framework") to describe the main characteristic of this issuance with regards to the International Capital Market Association's *Green Bond Principles* and *Social Bond Principles* (together, the Sustainability Bond Guidelines). The Issuer has committed to make this Framework publicly accessible on its website.

Vigeo Eiris was commissioned to provide an independent opinion on the sustainability credentials and management of the Green and Social Bond proposed to be issued by Région Occitanie, according to our Environmental, Social and Governance ("ESG") exclusive assessment methodology, and on the alignment with the Sustainability Bond Guidelines.

The opinion is based on the review of the two following components:

- I. **Issuer:** evaluation of the sustainability profile of Région Occitanie, including:
 - ▶ the Issuer's ability to integrate key ESG factors in its strategy, based on an analysis of the Issuer's commitments and policies.
 - ▶ the Issuer's involvement in potential ESG controversies.
- II. **Issuance:** analysis of the coherence between the Bond issuance and the Issuer's sustainability and commitments, and evaluation of the Bond issuance.

Our sources of information are gathered from Région Occitanie, press content providers and stakeholders, complemented by interviews with involved departments and managers i held *via* videoconference system. We carried out our due diligence assessment from May 14th to July 13th, 2018.

We could access all appropriate documents and people we solicited. We consider that the provided information enables us to establish our opinions with a reasonable assurance on their completeness, precision and reliability.

VIGEO EIRIS' OPINION

Vigeo Eiris is of the opinion that the Bond considered by Région Occitanie aligns with the Sustainability Bond Guidelines and we express an overall reasonable³ assurance on the Issuer's commitments and the Bond's contribution to sustainability.

- I. **Issuer** (see Part I):
 - ▶ The Issuer's ESG commitments and policies are considered to be good. Vigeo Eiris' assurance on Région Occitanie's capacity to integrate ESG factors in its strategy is reasonable on the environmental, social and governance pillars.
 - ▶ No controversy was identified for Région Occitanie over the period under review.
- II. **Issuance:** We are of the opinion that the contemplated Bond is coherent with Région Occitanie's main sustainability priorities and sectorial issues, contributes to achieve its sustainability commitments and aligns with the Sustainability Bond Guidelines (see Part II).
 - ▶ The net proceeds from the Bond issuance will be used to finance Eligible Projects contributing to social and environmental objectives (climate change mitigation and adaptation, the preservation of natural resources and access to essential services) which are defined, relevant, measurable but partially precise. We have recommended setting quantified targets. The expected benefits are likely to contribute to seven United Nations Sustainable Development Goals, namely: 3. Good health and well-being, 4. Quality education, 6. Clean water and sanitation, 7. Affordable and clean energy, 10. Reduced inequalities, 11. Sustainable cities and communities and 13. Climate action.

¹ This opinion is to be considered as the "Second Party Opinion" as defined in the guidelines of the International Capital Market Association (www.icmagroup.org).

² The Bond is to be considered as the potential forthcoming bond, which issuance is subject to market conditions.

³ Definition of Vigeo Eiris' scales of assessment (as detailed in the Methodology section of this document):

Level of Evaluation: Advanced, Good, Limited, Weak.

Level of Assurance: Reasonable, Moderate, Weak.

Subcategories of Eligible Projects are mostly clearly defined and overall relevant in light of the objectives pursued. We have recommended precisifying the definition of the subcategories “Health” and “Support services for youth and students » to improve visibility on the associated Eligible Projects.

The environmental and social benefits from the Eligible Projects will be assessed and quantified by the Issuer, as feasible, in its annual reporting.

- ▶ The process for evaluation and selection of Eligible Projects is clearly defined and its transparency and governance are considered to be good. It relies on explicitly defined and overall relevant eligibility criteria.

Our assurance on the Région’s capacity to appropriately identify and manage environmental and social risks associated with Eligible Projects is reasonable when the Région is the project manager, and moderate when the Région is not project manager.

- ▶ The rules for management of proceeds are defined and should ensure an overall transparent and documented allocation process.
- ▶ The process for data collection, consolidation and reporting is clearly defined. We consider that Région Occitanie’s overall reporting commitments are good, covering the use of proceeds and the environmental and social benefits of the selected projects (output and impact indicators).

We have a reasonable assurance on the Issuer’s capacity to regularly report on the Bond use of proceeds and sustainability impacts.

EXTERNAL REVIEW

Région Occitanie Green and Social Bond’s issuance will be supported by external reviews:

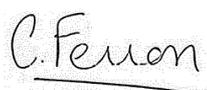
- A pre-issuance consultant review, i.e. the hereby Second Party Opinion performed by Vigeo Eiris on the sustainability credentials and management of the Bond, based on pre-issuance commitments and covering all the key features of the Bond.
- Verification: an external verification of the tracking of the Bond’s proceeds, until the complete allocation of proceeds, by the *Direction Générale des Finances Publiques* (DRFIP) representing the French State.

This Opinion is valid during one year from the date of issuance of Région Occitanie’s Green and Social Bond to be issued in September 2018.

Paris, August 8th 2018



Paul Courtoisier
Sustainability consultant
Project manager



Camille Ferron
Sustainability consultant

Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has not executed any audit or consultancy activity for Région Occitanie until so far and no established relationship (financial or other) exists between Vigeo Eiris and Région Occitanie.

This opinion is an independent opinion delivered on Région’s Occitanie demand for its investors/ lenders and/or other stakeholders. This opinion is an independent opinion delivered on Région Occitanie’s demand for its investors/ lenders and/or other stakeholders. It aims to explain the evaluation of the environmental and social benefit as well as the responsible character of the Bond contemplated by the Issuer. It is based on the information made available - i.e. documents, interviews with management and clarifications made throughout the due diligence process, based on the principle that this information was provided in good faith - and that we have analysed in accordance with our internal methodology and quality assurance rules. Vigeo Eiris has neither interviewed stakeholders out of the Issuer’s employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The correctness, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the materiality, the excellence or the irreversibility of the assets financed by the Green and Social Bond. Région Occitanie is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on financial performance of the Bond, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

The opinion delivered on stakeholder-related ESG controversies is not a conclusion on the creditworthiness of Région Occitanie or its financial obligations. Restriction on distribution and use of this Opinion: the opinion is provided by Vigeo Eiris to the Issuer and can only be used by the Issuer. The distribution and publication is at the discretion of the Issuer, submitted to Vigeo Eiris approval.

DETAILED RESULTS

Part I. ISSUER

Level of assurance on the Issuer's sustainability strategy

The Issuer's ESG commitments and policies are considered to be good. Vigeo Eiris' assurance on Région Occitanie's capacity to integrate ESG factors in its strategy is reasonable on the environmental, social and governance pillars.

Domain	Comments	Opinion
Environment	We have a reasonable assurance on Région Occitanie's ability to integrate key environmental issues in its strategy.	Reasonable
	The environmental commitments of the Région are included in the « Energy and Ecological Transition » section of the "Contrat de Plan État Région" (CPER) 2015-2022, and implemented through several local public policies, such as the regional waste plan or the "Positive Energy Région" strategy.	Moderate
	The main issues (biodiversity, water, energy, waste, transports) have been identified, except nuisance prevention. Quantitative targets have been set, including regarding energy savings on the territory aiming at making Région Occitanie the first positive energy Région in Europe by 2050. The Région's policies cover some of its environmental impacts as an organisation, but could be completed on water management and business travel.	Weak
Social	Through its Social and Environmentally Responsible Purchasing Promotion Scheme, the Région commits to take into account most of the relevant environmental issues in its contract, such as biodiversity, the recyclability rate of equipment or eco-labels, with the objective to include environmental clauses in 35% of notified contracts by 2021.	Reasonable
	We have a reasonable assurance on Région Occitanie's ability to integrate key social issues in its strategy.	Moderate
	Career management, remuneration, health and safety and working time of regional agents are regulated by the French law. Employees and unions representatives are involved in the implementation of some of the human resources policies, such as annual assessment procedures. A psycho-social risk prevention project was launched in 2016, in collaboration with the Health, Safety and Working Conditions Committee (CHSCT).	Weak
	In the Human Rights domain, the Région does not disclose a specific policy dedicated to the respect of fundamental human rights of its citizens. Although certain issues - such as the protection of personal data - are mentioned on its website. The Région is committed to preventing discrimination, both for its staff and the users of public services, with a focus on disabilities and gender equality.	
	Multiple policies have been identified for spatial planning, sustainable development, social cohesion and solidarity development. They include the Regional Policy for Youth, the Regional Strategy for Employment and Growth, the Regional Scheme for Economic Development, Innovation and Globalisation, and policies to support sport clubs and develop social housing, as well as the commitments made in the CPER on access to new technologies. Some of these policies, such as those on rural development or rail transportation, were developed following citizen consultations.	
	Responsible purchasing is addressed through the Socio-economic Responsible Purchasing Charter, which include a commitment to guarantee access to public procurement procedures for small and very small businesses. Besides, within the framework of its Scheme to promote socially and ecologically responsible public procurement, the Région has set the objective to reach 30% of notified contracts containing a social clause by 2021.	

Domain	Comments	Opinion
Governance	<p>We have a reasonable assurance on Région Occitanie’s ability to integrate key responsible governance issues in its strategy.</p> <p>The procedures for appointing senior managers and the rights of opposition parties are regulated by the General Code of Local Authorities. The Regional Council’s plenary sessions are posted on the website of the Région. Région Occitanie organises citizens' consultations on many topics - such as the “General Assembly on Rail and Multimodality” - and citizens' committees have also been created, such as the “Sea Parliament” and the “Mountain Parliament”.</p>	Reasonable
	<p>The accounts and accounting procedures of Région Occitanie are audited internally by a dedicated department, which also conducts audits on specific projects, such as the one on eco-cheques, and externally by several authorities including the Regional Chamber of Accounts. Regarding environmental and social issues, the Regional Economic, Social and Environmental Council gives opinions on budgetary guidelines and evaluates certain public policies. In addition, the Région’s Sustainable Development report contains environmental and social indicators that refer to the Global Reporting Initiative standard.</p>	Moderate
	<p>The Région set up a policy on the transparency of the regional elected representatives’ remuneration and material resources and on the prevention of conflicts of interest. This policy could be reinforced and completed with a Code of Conduct or Ethics publicly available, which is an area of improvement. Besides, the Région has implemented a procedure for the protection of whistle-blowers, within the framework of the Sapin II law.</p>	Weak

Stakeholder-related ESG controversies

No controversy was identified for Région Occitanie over the period under review.

Part II. ISSUANCE

Coherence of the issuance

We are of the opinion that the contemplated Bond is coherent with Région Occitanie’s main sustainability priorities and sectorial issues, contributes to achieve its sustainability commitments.

Régions play a strategic role in sustainable development. Their competencies in this area have been extended several times, in particular by the MAPTAM law of January 27, 2017, the NOTRe law of August 7, 2015 and the Energy Transition law of August 17, 2015. Régions have now become competent on many sustainable development issues, including: (i) agriculture, food and forestry, (ii) ecological and energy transition, (iii) spatial planning, (iv) economic development, tourism, social and solidarity economy, (v) higher education and research, (vi) health and health and social training, (vii) transport and mobility, (viii) education and professional training, or (ix) sports.

In particular, Région Occitanie committed to the following themes:

- The Région adopted an action plan to become the first positive energy Région in Europe by 2050.
- In 2006, the former Région Languedoc-Roussillon adopted a Regional Strategy for Sustainable Water Management and has been supporting, since its beginning, the Rhône Plan 2005-2025 covering 5 themes (Rhône culture, floods, water quality, resources and biodiversity, energy, transport and tourism).
- In 2016, Région Occitanie organised a citizens' consultation about mobility (“General Assembly on Rail and Multimodality”) which resulted in a roadmap to 2030. This roadmap identifies ten main projects, including the safeguarding of rail lines and the accessibility of rail services.
- The Région adopted a Youth Policy, which includes schemes such as the Youth Card and a six-year 1 billion plan to refurbish and build high schools, training centres and institutions.
- Supporting the development of social housing and student housing offer is a priority for the Région, which invested €14 million euros on this issue in 2016.
- In 2017, Région Occitanie adopted a policy to support sport clubs, with national or international influence and clubs of regional or local interest.

By issuing a Green and Social Bond to finance projects related to ecological and energy transition, natural resources protection, social action, education and culture, Région Occitanie coherently responds to its sustainability commitments and is aligned with the main sector issues in terms of environmental and social responsibility.

Use of proceeds

The net proceeds from the Bond issuance will be used to finance Eligible Projects contributing to social and environmental objectives (climate change mitigation and adaptation, the preservation of natural resources and access to essential services) which are defined, relevant, measurable but partially precise. We have recommended setting quantified targets. The expected benefits are likely to contribute to seven United Nations Sustainable Development Goals, namely: 3. Good health and well-being, 4. Quality education, 6. Clean water and sanitation, 7. Affordable and clean energy, 10. Reduced inequalities, 11. Sustainable cities and communities and 13. Climate action.

Subcategories of Eligible Projects are mostly clearly defined and overall relevant in light of the objectives pursued. We have recommended precisising the definition of the subcategories “Health” and “Support services for youth and students » to improve visibility on the associated Eligible Projects.

The environmental and social benefits from the Eligible Projects will be assessed and quantified by the Issuer, as feasible, in its annual reporting.

The net proceeds of the Bond will be used to finance and refinance, in whole or in part, the investment expenses of the Région in Green and Social Projects (the “Eligible Projects”) located on the territory of Région Occitanie, in France. Eligible Projects correspond to ten subcategories, grouped into four categories:

- Ecological and Energy Transition
- Natural Resources Protection
- Social Action
- Education and culture.

Région Occitanie commits to ensuring that the majority of financing concerns investment expenditures for the ongoing and next year. Refinancing will be limited to capital expenditures in the year preceding the bond issue, in line with best market practice.

We have analysed the commitments made by the Issuer in terms of use of proceeds:

- The environmental and social objectives targeted by the emission are generally defined, measurable and relevant, but generally precise. We have recommended setting quantitative objectives for every Eligible Projects’ subcategories.
- The definitions of Eligible Projects’ subcategories are globally clear in the Framework. The Eligible Projects seem generally relevant regarding the information analysed.
 - We have recommended clarifying the definitions given in the Framework for the subcategories "Health" and "Support services for youth and students ".
- For social projects, target populations are clearly defined and relevant regarding the objectives set.
- The expected environmental and social benefits have been identified and will be assessed and, as feasible, quantified by the Issuer in the annual reporting.

The defined Eligible Projects mainly align with seven United Nations Sustainable Development Goals (SDGs):

- For Green Projects:



The Bond contributes to SDG 6 and to its objectives in terms of universal access to water and sanitation and sustainable management of water resources; including:

- 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;
- By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.



The Bond contributes to SDG 7 and to its objectives in terms of universal to reliable, sustainable and modern energy services at an affordable cost; including:

- By 2030, increase substantially the share of renewable energy in the global energy mix;
- By 2030, double the global rate of improvement in energy efficiency.



The Bond contributes to SDG 13 and to its objectives by on the urgent implementation of actions to combat climate change and its impacts, including:

- Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries;
- Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- For Social Projects:



The Bond contributes to SDG 3 and to its objectives to enable to live healthy lives and promote the well-being at all ages, including:

- Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



The Bond contributes to SDG 4 and to its objectives in terms of universal access to quality education on an equal footing and the promotion of lifelong learning opportunities, including:

- By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university;
- By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;
- Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all.



The Bond contributes to SDG 10 and to its objective to reduce inequalities, including:

- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of [...] disability, [...] economic or other status.



The Bond contributes to SDG 11 and to its objective to ensure that cities and human settlements are inclusive, safe, resilient and sustainable; including:

- By 2030, ensure access for all to [...] affordable housing [...];
- By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all [...] notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Process for evaluation and selection

The process for evaluation and selection of Eligible Projects is clearly defined and its transparency and governance are considered to be good. It relies on explicitly defined and overall relevant eligibility criteria.

The process for the evaluation and selection of Eligible Projects is clearly defined and formalised in the Bond Framework.

- The process is based on relevant internal expertise with well-defined internal roles and responsibilities.
- The Région has established a Technical Committee for Monitoring the Green and Social Bond (the "Technical Committee") integrated by representatives of the operational departments and cross-functional departments, as well as a Steering Committee of the Green and Social Bond (the "Steering Committee") which includes the President of the Regional Council.
- The process is reasonably structured:
 - The Technical Committee establishes a list of potential Eligible Projects according to their alignment with the Framework, then the Steering Committee validates the list of Eligible Projects.
 - The whole process is coordinated by the Financial Affairs and Budget Department and the Strategic Information Valorisation Department (in charge of evaluating public policies).
- The verification and traceability is ensured throughout the process:
 - The Technical Committee oversees projects monitoring. It will meet annually and will verify that the selected projects still meet the criteria defined in the Framework.
 - The Région intends to document the decisions taken by the Committees through reports.
 - We have recommended mandating an external third-party audit of this process.

The process relies on explicit and overall relevant eligibility criteria.

- The criteria are based on the definitions of Eligible Projects' subcategories.
- Most Eligible Projects' subcategories are defined in detail in the documentation provided to Vigeo Eiris and some refer to nationally recognised laws, standards and certifications.

Our assurance on the Région's capacity to appropriately identify and manage environmental and social risks associated with Eligible Projects is reasonable when the Région is the project manager, and moderate when the Région is not project manager.

The identification of environmental and social risks is ensured through different ways:

- Four "eco-conditionality" principles are applied to all financings and financial grants from the Région:
 1. The reduction of the environmental footprint and the development of energy efficiency, which includes requirements related to energy and water consumption, the environmental footprint of materials, products and processes and the limitation of the environmental impacts of construction sites;
 2. The improvement of working conditions, the professional development of employees and the respect of social clauses, which covers health and safety at work, the prevention of illegal work, employee training, Corporate Social Responsibility policies of beneficiary local authorities or companies and the integration of unemployed or disabled;
 3. The prevention of discrimination, which refers to the 25 discrimination criteria defined in the French law;
 4. Financial ethics, including financial transparency requirements.
- Environmental and social criteria are included in financing agreements on a case-by-case basis. We have recommended systematizing the integration of these criteria into funding agreements.
- When the Région is project manager, environmental and social criteria apply to service and works contracts. They are relevant and defined in the Social and Environmentally Responsible Purchasing Promotion Scheme. These include, for example, consulting relevant stakeholders, using integration clauses, taking biodiversity into account, using local materials and responsibly managing construction site waste.
- In 2015, 19.6% of the Région's contracts included environmental clauses and 15.3% of contracts included social clauses. We have recommended including social and environmental clauses in all contracts relating to Eligible Projects.

The management of the environmental and social impacts of projects is heterogeneous:

- When the Région is project manager, in high schools for instance, Vigeo Eiris' assurance on its capacity to manage environmental and social risks is reasonable.
- When the Région is not project manager, meaning in the majority of Eligible Projects' categories, its ability to impose environmental and social project management criteria is limited, and the Région is not able to monitor the implementation of its recommendations. This is reinforced in cases where the Région's funding represent less than 50%.

Co-financers or partners does not appear to be the subject of specific due diligence, which limits the Région's ability to detect and monitor any controversies.

Management of proceeds

The rules for management of proceeds are defined and should ensure an overall transparent and documented allocation process.

The net proceeds of the Bond will be credited in cash to the Région's account in the French Treasury, in accordance with the French regulatory framework applicable to local authorities. Unallocated cash will be maintained in cash flow.

The Région commits to allocate the net proceeds of the Green and Social Bond according to the principle of nominal equivalence.

The allocation will be monitored by the Financial Affairs and Budget Department and the tracking will be firstly carried out through the Région's financial tool and then by the Regional Public Finance Department. We consider that these processes will ensure an appropriate allocation of the funds.

The Région intends to maintain a portfolio of Eligible Projects of an amount greater than that of the issuance, so that if necessary, funds could be reallocated under 12 months to another project meeting the eligibility criteria.

Monitoring and Reporting

The process for data collection, consolidation and reporting is clearly defined. We consider that Région Occitanie's overall reporting commitments are good, covering the use of proceeds and the environmental and social benefits of the selected projects (output and impact indicators).

We have a reasonable assurance on the Issuer's capacity to regularly report on the Bond use of proceeds and sustainability impacts.

The monitoring, data collection and consolidation process is defined, although partially formalised in the Framework.

- The allocation of the net proceeds of the Bond will be monitored by the Financial Affairs and Budget Department. The reporting will be validated each year during the vote of the Administrative Account of Région Occitanie.
- Environmental and social indicators will be collected at each operational department level and consolidated by the team in charge of evaluating public policies and writing the sustainable development report.
- We suggested using a post-issuance verification by an external auditor, on the processes and/or reporting indicators related to the allocation and the environmental and social benefits.

Région Occitanie is committed to annually report on the Bond until the full allocation of proceeds. We have suggested reporting until the maturity date of the Bond, in line with market good practices.

The selected reporting indicators are relevant and cover the allocation of funds and the environmental (outcome and impact indicators) and social (only outcome indicators so far) benefits of the projects financed. Reporting will be done at project level or partially aggregated for certain subcategories for confidentiality reasons or in case of multiple underlying projects.

- Some of these indicators are developed in collaboration with consultants or other external stakeholders.
- Région Occitanie intends to work on the definition of impact indicators for Social Projects subcategories.
- Région Occitanie will also provide qualitative reporting on certain project subcategories.
- The report will include calculation methodologies.

Beyond the Sustainability Bond Guidelines and in line with best market practice, Région Occitanie will publish information on the responsible project management, which will be defined post-issuance.

METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris writes an opinion on the Issuer's Corporate Social Responsibility as an organization, and on the objectives, management and reporting of the Bonds to be refinanced by this transaction.

Vigeo Eiris' methodology to define and to assess corporate's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. The evaluation framework has been customized regarding material issues, based on Local Authorities assessment framework, bond specificities and emerging issues.

Vigeo Eiris reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources will be considered as long as they are public, documented and traceable. Vigeo Eiris has reviewed documents and websites of the Issuer (including but not limited to Green and Social Bond Framework, 2017 Activity and Sustainable Development Report, S Social and Environmentally Responsible Purchasing Promotion Scheme, Environmental quality and technical standards for high schools, etc.) and interviewed members from several departments of the Issuer.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Direction of Methods. A right of complaint and recourse is guaranteed to all companies under our review, including three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council. All collaborators are signatories of Vigeo Eiris' Code of Ethics.

Part I. ISSUER

NB: the assurance on the Issuer's sustainability strategy, i.e., commitments and policies related to ESG issues, has been formulated based on information provided by the Issuer, public information and stakeholders' views and opinion collected from public documentation. The Issuer ESG performance (sustainability rating) has not been assessed through a complete process of rating and benchmark.

Level of assurance on the Issuer's sustainability strategy

The Issuer's Corporate Social Responsibility (CSR) strategy has been reviewed by Vigeo Eiris, based on 24 relevant ESG drivers organized in the 6 sustainability domains, on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).

Implementation and results have not been assessed for the purpose of this Second Party Opinion.

- Scale for assessment of ESG performance: Reasonable, Moderate, Weak.

Stakeholder-related ESG controversies

A controversy is a piece of information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation on unproven facts.

Vigeo Eiris provides an opinion on organisations' controversies risks mitigation based on the analysis of 3 factors:

- Severity: the more a controversy will relate to stakeholders' fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the company, the highest its severity. Severity assigned at organisation level will reflect the highest severity of all cases faced by the organisation (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the organisation for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).
- Frequency: reflects for each ESG challenge the number of controversies faced. At organisation level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).

The impact of a controversy on an organisation's reputation reduces with time, depending on the severity of the event and the organisation's responsiveness to this event. Conventionally, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Part II. ISSUANCE

The commitments and mechanisms deployed by the Issuer in the framework of its Green and Social Bond issue have been evaluated in the light of the Sustainability Bond Guidelines (2018), the alignment with the UN Sustainable Development Goals, international standards and sector guidelines applying in terms of ESG management and assessment.

Use of proceeds

The use of proceeds guidelines are defined to ensure that the funds raised are used to finance and/or refinance Eligible Projects and are traceable within the issuing organisation. Each project endorsed shall comply with at least one of the Eligible Projects Categories definition in order to be considered as an Eligible Project. Vigeo Eiris evaluates the relevance, visibility, and measurability of the associated environmental and/or social objectives. The sustainability purpose of the Green and Social Bond related Eligible Projects has been precisely defined, with regard to the Issuer's commitments, and assessed based on the described and estimated benefits of Eligible Projects. The contribution of Eligible Projects to sustainable development is evaluated based on the United Nations Sustainable Development Goals.

Process for Bond evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris regarding its transparency, governance and efficiency. The relevance and exhaustiveness of eligibility criteria and associated supporting elements integrated in the Green and Social Bond issuance, and the coherence of the process are analysed based on material issues considered in Vigeo Eiris' methodology.

Management of proceeds

The rules for the management of proceeds and the allocation process have been evaluated by Vigeo Eiris regarding their transparency, coherence and efficiency.

Reporting

Reporting indicators, processes and methodologies are defined by the Issuer to enable annual reporting on fund allocation, social benefits (output and impact indicators) and on the responsible management of the Eligible Projects financed by the Green and Social Bond proceeds, collected at project level and potentially aggregated at Bond level. Vigeo Eiris has evaluated the relevance of the reporting framework according to three principles: transparency, exhaustiveness and effectiveness.

- Scale of assessment for processes and commitments: Weak, Limited, Good, Advanced.
- Scale of level of assurance on Issuer's capacity: Reasonable, Moderate, Weak.

VIGEO EIRIS' ASSESSMENT SCALES

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		



Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:

- ▶ **For investors:** decision making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more).
- ▶ **For companies & organisations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris is committed to delivering client products and services with high added value: a result of research and analysis that adheres to the strictest quality standards. Our methodology is reviewed by an independent scientific council and all our production processes, from information collection to service delivery, are documented and audited. Vigeo Eiris has chosen to certify all its processes to the latest ISO 9001 standard. Vigeo Eiris is an approved verifier for CBI (Climate Bond Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 7 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan, Spain and Mexico

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