

SECOND PARTY OPINION¹

ON THE SUSTAINABILITY OF CEETRUS' « GREEN BOND FRAMEWORK »

November 2019

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (thereafter "Second Party Opinion" or "SPO") on the sustainability credentials and management of the Green Bonds² (the "Bonds") to be issued by Ceetrus (the "Issuer") under its Green Bonds Framework ("the Framework").

Our opinion is established according to Vigeo Eiris' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the ICMA's Green Bond Principles ("GBP") voluntary guidelines edited in June 2018.

Our opinion is built on the review of the following components:

- 1) **Issuer:** we assessed the Issuer's ESG strategy in October 2019, its management of potential stakeholders-related ESG controversies and its involvement in controversial activities³.
- 2) **Issuance:** we assessed the Framework, including the coherence between the Framework and the Issuer's environmental and social commitments, its potential contribution to sustainability and its alignment with the four core components of the GBP 2018.

Our sources of information are multichannel, combining data from (i) public information gathered from public sources, press content providers and stakeholders, (ii) information from Vigeo Eiris exclusive ESG rating database, and (iii) information provided by the Issuer through documents and interviews conducted with Issuer's managers and stakeholders involved in the Bonds' issuance.

We carried out our due diligence assessment from October 10th, 2019 to November 8th, 2019. We consider that we were provided with access to all the appropriate documents and interviewees we solicited. We consider that the information made available enables us to establish our opinion with a reasonable level of assurance on its completeness, precision and reliability.

VIGEO EIRIS' OPINION

Vigeo Eiris is of the opinion that Ceetrus' Green Bond Framework are aligned with the four core components of the Green Bond Principles voluntary guidelines 2018.

We express a reasonable assurance⁴ (our highest level of assurance) on the Issuer's commitments and on the contribution of the contemplated Bonds to sustainability.

- ▶ **Issuer (see Part I) :**
- ▶ We reach a reasonable assurance on Ceetrus' capacity to integrate relevant ESG factors in its strategy and to account on them.
- ▶ As of today, Ceetrus does not face any stakeholders-related ESG controversies. The Issuer is not involved in any of the 17 controversial activities screened under our methodology.
- ▶ **Issuance (see Part II):**

The Issuer has described the main characteristics of the Bonds within a Framework which covers the 4 core components of the Green Bond Principles voluntary guidelines 2019 (the last updated version was provided to Vigeo Eiris on October 25th, 2019). The Issuer has committed to make the Second Party Opinion publicly accessible on its website⁵

We are of the opinion that the contemplated Bonds are coherent with the Issuer's strategic priorities and commitments with respect to sustainable development and to its sector issues.

¹ This opinion is to be considered as the "Second Party Opinion" described in the GBP voluntary guidelines (June 2018 Edition) edited by the International Capital Market Association (www.icmagroup.org).

² The "green bond" is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name "green bond" has been decided by the Issuer: it does not imply any opinion from Vigeo Eiris.

³ The 15 controversial activities analysed by Vigeo Eiris are: Alcohol, Animal welfare, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Tar sands and oil shale, Gambling, Genetic engineering, High interest rate lending, Military, Nuclear power, Pornography, Reproductive medicine, and Tobacco.

⁴ Definition of Vigeo Eiris' scales of assessment (as detailed in the Methodology section):

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

Level of Assurance: Reasonable, Moderate, Weak.

⁵ <https://www.ceetrus.fr>

Use of Proceeds

- ▶ The net proceeds of the Bonds will exclusively finance and/or refinance, in part or in full, assets falling under one Eligible Green Assets Category (“Eligible Category”), namely: Green Buildings. The Eligible Category is formalized in the Framework and is considered clearly defined
- ▶ The Eligible Category is intended to contribute to one main environmental objective, namely: Climate change adaption. This objective is formalized in the Framework and considered clearly defined and relevant.
- ▶ The environmental benefits of the Eligible Green Assets are clearly defined. The Issuer has provided information to Vigeo Eiris on ex-ante quantified environmental benefits regarding energy savings..
- ▶ The Issuer has communicated transparently on the estimated share of refinancing for its first issuance which will be equal to 100%. Upstream of each new green bond issuance, the presentation made for investors will indicate the indicative refinancing share. The Issuer has committed. to respect a look-back period of maximum 36 months from the Bonds’ issuance, in line with market practices.

Process for Projects Evaluation and Selection

- ▶ The process and governance for the evaluation and selection of the Eligible Green Assets is clearly defined in the Framework. We consider that the process is reasonably structured, transparent and relevant.
- ▶ The process relies on relevant and explicit eligibility (selection) criteria.
- ▶ The identification and monitoring of the environmental and social risks associated with the Eligible Green Assets are considered good.

Management of Proceeds

- ▶ The rules for the management of proceeds are clearly defined. We consider that they would enable a documented and transparent allocation process.

Reporting

- ▶ The reporting process and commitments appear to be good, covering both the funds allocation and the environmental Eligible Green Assets. Impact indicators are clearly defined.

Ceetrus has committed that its Bonds will be supported by external reviews:

- A pre-issuance consultant review: the hereby Second Party Opinion delivered by Vigeo Eiris, covering all the features of the Bonds, based on pre-issuance assessment and commitments, to be made publicly available Ceetrus on its website, at the date of issuance.
- An external verification: The Issuer commits to mandate an independent auditor to annually verify the good allocation of funds and the compliance of Eligible Green Assets with the eligibility criteria.

This Second Opinion is valid for the Green Bonds contemplated by Ceetrus with respect to GBP and SBP 2018.

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Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has carried out one rating on demand (ROD) for Ceetrus. No established relation (financial or commercial) exist between Vigeo Eiris and the Issuer.

This opinion aims at providing an independent opinion on the sustainability credentiCeetrus and management of the Bond, based on the information which has been made available to Vigeo Eiris. 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 accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the effectiveness, the excellence or the irreversibility of the assets to be financed by the Bond. The Issuer 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 the 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.

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 are at the discretion of the Issuer, submitted to Vigeo Eiris approval.

DETAILED RESULTS

Part I. ISSUER

Ceetrus S.A. (formerly Immochan) provides real estate development and management services: planning and construction of residential, office and recreational real estate. Ceetrus S.A. is a subsidiary of Auchan Holding SA.

Level of Ceetrus' ESG strategy

As of October 2019, we reach a reasonable level of assurance on Ceetrus' capacity to integrate relevant ESG factors in its strategy, and to account on them.

Domain	Comments	Opinion
Environment	<p>We reach a reasonable assurance on Ceetrus' existing capacity to integrate relevant environmental factors in its strategy.</p> <p>Ceetrus has issued a formalised policy on managing the environmental impact of its properties.</p> <p>This commitment covers – among others – the buildings' energy efficiency for which energy consumption have been set. The Company has set a 25% energy consumption reduction target for its French property portfolio from 2015 and 2020 and 15% reduction target for other countries and that 100% of its sites will have a 1.5°C degree plan by 2025.</p> <p>In addition, the Company engages with tenants on the reduction of environmental impacts from the use of buildings, notably by including environmental requirements for the materials used by the tenants for the buildings management.</p> <p>Moreover, the environmental strategy is under the responsibility of the Company's CSR team.</p>	Reasonable
		Moderate
		Weak
Social	<p>We reach a moderate assurance on Ceetrus' existing capacity to integrate relevant Social factors in its strategy.</p> <p>Ceetrus CSR strategy covers the promotion of social and economic development including the social accessibility of properties but does not cover all of the sectors stakes related to community involvement.</p> <p>The Company has issued a formalised commitment to freedom of association and the right to collective bargaining that addresses its main responsibilities.</p> <p>Furthermore, Ceetrus has published an extensive formalised commitment to non-discrimination.</p> <p>Ceetrus commits to ensure health and safety for its employees, a health and safety committee is held accountable for this commitment.</p> <p>The Company commits to informing and consulting employee representatives on reorganisations, however the company does not commit to minimising the number of lay-offs and redundancies by anticipating and planning reorganisations.</p> <p>The mother company, Auchan, has adopted a formal commitment to promote career management and training in its Ethics Charter, nevertheless the commitment does not appear to be backed by quantitative targets.</p> <p>On a more positive note, the strategy concerning the integration of social factors in the supply chain is formalised in the Company's Partner Code of Ethics and covers all the relevant issues for the sector. Additionally, Ceetrus has issued a formalised commitment on responsible customer relations.</p>	Reasonable
		Moderate
		Weak

Governance	<p>We reach a reasonable assurance on Ceetrus' performance in the Governance pillar.</p> <p>Board members, in addition to being independent in their majority, display a robust diversity. Most of the relevant CSR issues for the company are discussed at Board level and the attendance rate at Board meetings is above 90%.</p>	Reasonable
	<p>The Company has established an Audit Committee - whose members are non-executive directors with previous operation experience - that covers standard issues related to financial, operational, legal risks and some of the CSR risks. Nonetheless, the role of the committee appears to be limited, and information on the external auditors is insufficient. The audit firm receives non-audit fees, but these represent only 25% or less of total fees.</p>	Moderate
	<p>Ceetrus has set up a Remuneration Committee – whose members are non-executive directors.</p> <p>Ceetrus has issued a formalised commitment to preventing corruption and money laundering. In addition, the Company generally commits to ensuring transparency and integrity of influence strategies and practices.</p>	Weak

Management of stakeholders-related ESG controversies

As of today, Ceetrus does not face any stakeholders-related ESG controversies.

Involvement in controversial activities

The Issuer is not involved in any of the 17 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Vigeo Eiris.

Part II. ISSUANCE**Coherence of the Bonds**

Context: According to the United Nations, the real estate sector accounts for 40% of global energy consumption and 33% of greenhouse gas emissions. As a result, this sector can play a leading role in how CO2 emissions are valued and incorporated into the development, design and management of real estate. Real estate players should rely on international certifications that frame the environmental performance of buildings (including LEED and BREEAM). As existing buildings will last for decades to come, improving energy efficiency is a priority to fight climate change.

We are of the opinion that the contemplated Bonds are coherent with the Issuer's strategic priorities and commitments with respect to sustainable development and to its sector issues.

Ceetrus appears to acknowledge its role in managing its properties' impacts to support society's transition to a low-carbon economy.

The Company engages with tenants on the reduction of environmental impacts from the use of buildings notably through the implementation of environmental clauses its leases and has set targets in this regard:

- 25% energy consumption reduction target for its French property portfolio from 2015 and 2020 and 15% reduction target for other countries
- 100% of its sites will have a 1.5°C degree plan by 2025.
- 100% of its sites will have a biodiversity action plan

Moreover, Ceetrus has launched certification process for the majority of its properties and 75% of its buildings opened since 2011 have a BREEAM certification.

In addition, Ceetrus conducts regular energy audits of its properties and has set up energy consumption reduction measures such the implementation of LED lighting across its sites.

By creating a Framework to issue Green Bonds to finance or refinance, in full or in part, assets related to Green Buildings, the Issuer coherently aligns with its sustainability strategy and commitments and addresses the main issues of the sector in terms of environmental and social responsibility.

Use of Proceeds

The net proceeds of the Bonds will exclusively finance and/or refinance, in part or in full, assets falling under one Eligible Green Assets Category (“Eligible Category”), namely: Green Buildings. The Eligible Category is formalized in the Framework and is considered clearly defined.

The Eligible Category is intended to contribute to one main environmental objective, namely: Climate change adaption. This objective is formalized in the Framework and considered clearly defined and relevant.

The environmental benefits of the Eligible Green Assets are clearly defined. The Issuer has provided information to Vigeo Eiris on ex-ante quantified environmental benefits regarding energy savings.

The Issuer has communicated transparently on the estimated share of refinancing for its first issuance which will be equal to 100%. Upstream of each new green bond issuance, the presentation made for investors will indicate the indicative refinancing share. The Issuer has committed to respect a look-back period of maximum 36 months from the Bonds’ issuance, in line with market practices.

For the first issuance, the issuer confirms that all the assets financed are located in Metropolitan France.

Ceetrus' Framework			Vigeo Eiris' Analysis
Eligible Category	Eligibility criteria and definition	Environmental Objectives and Benefits	
Green Buildings (on-going developments or in use buildings)	<ul style="list-style-type: none"> - Eligible Green Assets including construction or acquisition of new or on-going assets, as well as existing asset which meet the eligible criteria: - Eligible Green Assets should have received or are expected to receive a minimum certification of BREEAM "Very good" or equivalent. - For existing buildings, the assets must have received an "In-Use" certification of at least "Very good" or equivalent up to 3 years before issuance of a Green Bond. - Existing Eligible Green Assets under management should achieve at least energy savings of 30% in comparison to their baseline performance in ratio kwh/m². - Located within a 10-minutes' walk of public transportation networks. - Eligible Green Assets should have signed or be in the process of signing green contract leasing on the assets financed. - Eligible Green Assets should be located within a country member of the European Union. 	<p style="text-align: center;">Climate Change Mitigation</p> <p><i>GHG emissions avoidance</i> <i>Energy saving</i></p>	<p>The definition of the category is clear.</p> <ul style="list-style-type: none"> - The accepted Green Buildings certifications rely on internationally recognized sector standards. <p>The Environmental objective is defined and relevant.</p> <p>Eligible Green Assets have the potential to provide clear environmental benefits.</p> <p>The Issuer has provided to Vigeo Eiris ex-ante environmental benefits regarding energy savings.</p>

In addition, the Eligible Category is likely to contribute to four of the United Nations' Sustainable Development Goals Ceetrus ("SDGs"), namely: Clean and affordable energy, Sustainable Cities and Communities and Climate Action.



Eligible Category	SDG	SDG Targets
Green buildings	SDG 7. Clean and affordable energy	7.3
	SDG 11. Sustainable Cities and Communities	11.3
	SDG 9. Industry, Innovation and Infrastructure	9.4
	SDG 13. Climate Action	NA



Contribution to SDG 7. Clean and affordable energy

The Loans are likely to contribute to SDG 7 and its objectives of ensuring access to affordable, reliable, sustainable and modern energy for all, including:

- 7.3 By 2030, double the global rate of improvement in energy efficiency



Contribution to SDG 9. Industry, innovation and infrastructure

The Loans are likely to contribute to SDG 9 and its objectives of building a resilient infrastructure, promoting inclusive and sustainable industrialization that benefits all and encouraging innovation, including:

- 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



Contribution to SDG 11. Sustainable Cities and Communities

The Loans are likely to contribute to SDG 11 and its objectives of ensuring that cities and human settlements are inclusive, safe, resilient and sustainable, including:

- 11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries



Contribution to SDG 13. Climate Action

The Assets are likely to contribute to SDG 13 which consists in adopting urgent measures to combat climate change and its effects.

Process for Projects Evaluation and Selection

The governance and the process for the evaluation and selection of the Eligible Green Assets is clearly defined in the Framework. We consider that the process is reasonably structured, transparent and relevant.

The evaluation and selection of Eligible Green Assets is based on relevant internal expertise, with defined roles and responsibilities:

Ceetrus' Green Bond Committee ("GBC"), which is expected to meet on a quarterly basis, is responsible of evaluating and selecting the Eligible Green Assets, monitoring the Eligible Assets pool, validating the annual reporting and upgrading the Framework.

The GBC will be composed of members from the following teams/departments:

- Sustainable Development Department
- Treasury Department
- Operations
- Development
- Compliance.

The traceability and verification are ensured throughout the process.

- The Committee will meet at least 4 times a year.
- The traceability of the decisions appears to be ensured throughout the process, through meeting minutes that will be redacted for each meeting of the Committee.

A review of the compliance of assets with the eligibility criteria will be carried out annually by an independent auditor in line with best market practices.

The process relies on relevant and explicit eligibility (selection) criteria.

The selection is based on the eligibility criteria described in the Framework and in the "Use of proceeds" section of this opinion.

The identification and monitoring of the environmental and social risks associated with the Eligible Assets are considered good.

Environmental risks

Risks related to the operation of Green Buildings

- We consider that all relevant ESG risks associated to the use of Eligible Green Assets under the "Green buildings" category, namely: Environmental management and eco-design, GHG emissions, Reduction of energy consumption, water consumption and Aesthetic landscape, are covered through the green building "in-use" certification processes.
- The lease agreement between Ceetrus and the tenant companies includes an environmental charter which address the relevant ESG issues associated to the use of the Building. Penalties are in place for failure to comply with the environmental obligations set out in the charter.

Risks related to the construction of Green Buildings

- We consider that all relevant ESG risks related to the construction and/or renovation of eligible green assets under the "Green buildings" category, namely: Biodiversity Protection, GHG and other atmospheric emissions, Reduction of energy consumption, water consumption and waste and wastewater management on site, are covered through the green building "construction" certification processes. Additionally, prior to any construction project, a biodiversity impact assessment will be carried out by an external expert.

Social risks

Risks related to the operation of Green Buildings

- We consider that the risks associated with the health and safety of occupants and visitors of Green Buildings assets are covered through the green building “in-use” certification processes.

Areas for improvement consist in the systematic integration of social responsibility factors in the evaluation and selection of contractors/suppliers in charge of the maintenance of the common areas.

Risks related to the construction of Green Buildings

- Ceetrus has stated that its Code of Ethics for Suppliers will be included in all tenders without exception. This Code covers all relevant social risks in general terms, including Health and Safety and working condition of workers as well as illegal or forced labour risks. Additionally, the standard project management contract (“Contrat de Maitrise d’Ouvrage”) in effect in France and/or in the EU includes clauses covering the obligations of the main supplier through its value chain in terms of occupational health and safety and labour rights. This Issuer has decided to only invest in the European Union. Ceetrus does not conduct on-site verification to ensure that these risks are properly managed by its suppliers and sub-contractors.
- Additionally, Ceetrus has set up an alert collection mechanism open to suppliers’ employees to enable them to report possible violations of their rights.

Areas for improvement include the systematic integration of social responsibility factors in the evaluation and selection of contractors/suppliers as well as the implementation by Ceetrus of effective verification procedure (on-site audits, mandatory reporting process for suppliers etc.) to ensure that social risks are properly managed by its suppliers and sub-contractors. Of note, the Issuer has declared that for the first issuance financed assets will be buildings in operation only.

Management of Proceeds

The rules for the management of proceeds are clearly defined. We consider that they would enable a documented and transparent allocation process.

The allocation of the net proceeds to Eligible assets will be monitored by the Green Bond Committee, the allocation will be adjusted periodically according the Green Bond Committee selection.

The allocation and the management of proceeds are clearly defined:

- The net proceeds will be deposited in the general account/treasury of the Company and be allocated immediately. An equivalent amount will be tracked in the treasury. The Company has to publish an equivalent of the net proceeds will be marked and tracked in the treasury.
- The unallocated proceeds will be used in cash and/or cash equivalent and/or other liquid marketable instruments.
- In case of a controversy⁶ affecting an asset, it will be replaced by another eligible asset.

Areas for improvement include to:

- Set up an exclusion criterion relating to carbon activities for unallocated proceeds’ investments.
- Define a maximum period for the allocation and/or reallocation of proceeds to eligible assets.

Traceability and verification of the funds are ensured throughout the process:

- From one year after the first issuance and until full allocation, an independent third party will verify annually the allocation of proceeds to the portfolio of Eligible Green Assets
- The Green Bond Committee will meet quarterly to ensure the proceeds’ allocation

⁶ Ceetrus defines a controversy when an asset is being sued.

Reporting

The reporting process and commitments appear to be good, covering both the funds allocation and the environmental benefits of the Eligible Assets.

The reporting will be made available annually on the Issuer’s website⁷.

The assets managers are in charge of collecting data, the Green Bond Committee is in charge the reporting coordination and verification.

The Issuer will report at the portfolio level.

The Issuer has committed to communicate transparently on the Eligible Category:

Reporting indicators
<ul style="list-style-type: none"> - List of Eligible Green Assets financed and refinanced - Share of refinancing - Share of unallocated proceeds (if any)

Eligible Category	Outcome indicators	Impact indicators
Green Building	<ul style="list-style-type: none"> - Total energy consumption (kWhfe) - Average Energy intensity (kWhfe/m² mall/year) - Average distance to public transportation - Breakdown of BREEAM certification level (Outstanding, Excellent or Very good) 	<ul style="list-style-type: none"> - Avoided Co2e emissions (tCo2e/year)

The issuer commits to publicly disclose the key methodologies and assumptions used to calculate the benefits of Eligible Assets in each report.

Ceetrus has appointed an independent auditor to review annually the environmental metrics.

⁷ <https://www.ceetrus.fr>

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 process and commitments applying to the intended issuance.

Vigeo Eiris' methodology for the definition and assessment of the corporate's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and is organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. Our evaluation framework of the material ESG issues have been adapted, based on our generic Retail & Specialised Banks's ESG assessment frameworks and on specific issues considering the Issuer's business activity.

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. Our SPO are also subject to internal quality control at three levels (consultants in charge of the mission, Production Manager, and final review and validation by the Direction of Sustainable Finance and/or the Direction of Methods. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council.

All employees are signatories of Vigeo Eiris' Code of Ethics, and all the consultants have also signed its add-on covering financial rules of confidentiality.

Part I. ISSUER

NB: The ESG performance of the Issuer has not been assessed following a complete process of rating and benchmark developed by Vigeo Eiris.

Management of stakeholder-related ESG controversies

A controversy is an 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 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 is considered as long as they are public, documented and traceable.

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

- **Frequency:** reflects for each ESG challenge the number of controversies faced. At corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- **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 corporate level will reflect the highest severity of all cases faced by the company (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 company for all cases faced (scale: Proactive, Remediate, Reactive, Non-Communicative).

Involvement in controversial activities

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company'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.

15 controversial activities have been analysed following 30 parameters to verify if the company is involved in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The precise nature of the controversial products or services provided by the company.

Part II. ISSUANCE

The Framework has been evaluated by Vigeo Eiris according to the GBP and SBP 2018 and on our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Green Assets and of their sustainable objectives and benefits are a core element of the Green Bonds standards. Vigeo Eiris evaluates the definition of the Eligible Categories, as well as the definition and the relevance of the aimed sustainability objectives. We evaluate the definition of the expected benefits in terms of assessment and quantification. In addition, we evaluate the potential contribution of Eligible Green Assets to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris regarding its transparency, governance and relevance. The eligibility criteria have been assessed regarding their explicitness and relevance vs. the intended objectives of the Eligible Green Assets. The identification and management of the ESG risks associated with the Eligible Green Assets are analysed based on material issues considered in Vigeo Eiris' ESG assessment methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Management of proceeds

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

Reporting

Monitoring process and commitments, Reporting commitments, reporting indicators and methodologies are defined by the Issuer to enable a transparent reporting on the proceeds allocation and tracking, on the sustainable benefits (output and impact indicators) and on the responsible management of the Eligible Green Assets financed by the issuance. Vigeo Eiris has evaluated the reporting framework regarding its transparency, exhaustiveness and relevance.

VIGEO EIRIS' ASSESSMENT SCALES

Performance evaluation	
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.
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.
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	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.

Level of assurance	
Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework



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

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 & organizations:** 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, Brussels, Milan, Montreal, Hong Kong, Casablanca, Rabat and Santiago.

The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan.

For more information: www.vigeo-eiris.com