

SECOND PARTY OPINION¹ ON THE SUSTAINABILITY OF GREENERGY'S GREEN BOND FRAMEWORK

October 14th, 2019

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (hereafter “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the Green Bond Framework² (the “Framework”) created by Greenergy (the “Issuer”) to govern potential Green Bonds to be issued by the company.

Our opinion is established according to our Environmental, Social and Governance (“ESG”) exclusive assessment methodology, and to the International Capital Market Association’s Green Bond Principles voluntary guidelines edited in June 2018 (the “GBP”).

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

- 1) **Issuer:** we assessed the Issuer’s management of potential stakeholder-related ESG controversies and its involvement in controversial activities³.
- 2) **Framework:** we assessed the coherence between the Framework and the Issuer’s sustainability strategy and its alignment with the four core components of the GBP 2018.

Our sources of information are multichannel, combining data from public information gathered from public sources, press content providers and stakeholders; information from our exclusive ESG rating database; and information provided by the Issuer through documents we solicited and exchanges with team members.

We carried our due diligence assessment from June 6th to October 11th, 2019. We consider that we were provided with access to all the appropriate documents and interviews required. We consider that the information provided 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 the Framework is aligned with the four core components of the Green Bond Principles 2018.

We express a reasonable⁴ level of assurance (our highest level of assurance) on the Issuer’s commitments and on the contribution of the contemplated Bonds to sustainable development.

1) **Issuer** (see Part I):

- ▶ As of today, Greenergy faces no stakeholders-related ESG controversies.
- ▶ The Issuer is not involved in any of the 15 controversial activities screened under Vigeo Eiris’s methodology.

2) **Framework** (see Part II):

The Issuer has described and formalized the main characteristics of the Bonds in a Green Bond Framework, which is embedded within Greenergy’s Renewables Fixed Income Program 2019, annex 5 (“Programa de Renta Fija Greenergy Renovables 2019”, anexo 5, in Spanish) and internal documentation. The issuer is

¹ This opinion is to be considered as the “Second Party Opinion” described by the International Capital Market Association (www.icmagroup.org).

² 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 Performance evaluation: Advanced, Good, Limited, Weak.

Level of Assurance: Reasonable, Moderate, Weak.

committed to make this document publicly accessible on its Website⁵ as well as this Second Party Opinion before any Bond issuance, in line with best market practices.

We are of the opinion that the Framework is coherent with Greenergy's publicly disclosed strategic sustainability priorities and main sector's sustainability issues, and that it contributes to achieve its sustainability commitments.

Use of Proceeds:

- ▶ The net proceeds of the Green Bonds will exclusively finance, in part or in full, one Eligible Project Category, namely: Renewable Energy. We consider that the Eligible Project Category is clearly defined.

Eligible Projects are intended to contribute to one main environmental objective, namely: climate change mitigation. This objective is considered to be clearly defined and relevant.

The Issuer has assessed and quantified the expected environmental benefits associated with the first Bond to be issued.

The Issuer has estimated that the combined total energy generation for these projects will be 1.2 GWh/year, and total CO2 emissions avoided of 484.1 tCO2/year.

Eligible Projects are likely to contribute to two United Nations Sustainable Development Goals ("SDG's"), namely: Goal 7. Affordable and clean energy and Goal 13. Climate action.

The share of refinancing for this issuance is estimated to be 0%.

Process for Project Evaluation and Selection:

- ▶ The governance and the process for the projects evaluation and selection are formalized in the Framework and internal documentation. We consider that the process is reasonably structured, transparent and relevant.

The process is based on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives of the Bonds.

The identification and management of the environmental and social (E&S) risks associated with the Eligible Projects are considered to be good.

Management of Proceeds:

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

Monitoring & Reporting:

- ▶ The reporting process and commitments appear to be good, covering both the funds allocation and the environmental and social objectives and benefits of the Eligible Projects.

Greenergy has committed that its Green Bond Framework will be supported by external reviews:

- A pre-issuance consultant review: the hereby Second Party Opinion performed by Vigeo Eiris, on the sustainability credentials of the Framework, based on pre-issuance commitments and covering all features of the first issuance. The Issuer commits to disclose this Second Party Opinion to relevant stakeholders as well as to obtain a Second Party Opinion for each Bond issuance concerning a new category or subcategory under this Framework.
- An annual verification performed by a third-party auditor, covering the tracking and allocation of funds, the compliance; in all material aspects, of (i) the actual allocation of proceeds to Eligible Projects and their alignment with the eligibility criteria, (ii) the pending unallocated proceeds allocation, annually and until the maturity date of the Bond, (iii) the technical and ESG indicators, including the environmental metrics.
- Post-issuance consultant reviews: The Issuer commits to conduct a Second Party Opinion review after one year of issuance.

⁵ <http://greenergy.eu/es/>

This Second Party Opinion is based on the review of Greenergy's Framework and internal documentation, according to the GBP 2018.

Paris, October 14th, 2019

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Disclaimer

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

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Green Bond Framework, 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

Grenergy is a Spanish Developer and Independent Power Producer (IPP), part of the Daruan Group, founded in 2007 and engaged in the design, development, construction, operation, maintenance and sell of renewable energy plants (solar and wind) on a large scale. Its headquarters are in Madrid, Spain and has offices in Mexico, Peru, Colombia, Chile and Argentina. In 2015, Grenergy decided to undergo its Initial Public Offering, making its debut on the Spanish stock exchange.

Management of stakeholder-related ESG controversies

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

Involvement in controversial activities

Grenergy is not involved in any of the 15 controversial activities screened under Vigeo Eiris methodology, namely: Alcohol, Animal welfare, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels, Gambling, Genetic engineering, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine, Tar sands and oil shale 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. FRAMEWORK

Coherence of the issuance

Context: The Electric & Gas Utilities sector has a major role to play in the fight against climate change and energy efficiency, through the promotion and development of renewable energy sources.

However, renewable energy facilities such as wind farms call for specific measures to ensure biodiversity protection, health and safety and the promotion of sustainable relations with the communities where they operate. The complexity and specificities of impacts related to renewable energy generation also imply comprehensive environmental strategies backed by widespread environmental management systems.

We are of the opinion that the Green Bond Framework created by Grenergy is coherent with the main sustainability issues of its sector, as well as with Grenergy's sustainability priorities and commitments; and that it contributes to the realisation of these commitments.

Grenergy is a renewable energy pure player company that design, develops, builds, operates and sells solar projects in Spain and Latin America. In 2014, the company starts developing also wind projects.

To date, Grenergy has developed and built over 100 MW of solar and energy production projects in Spain and has a project portfolio in Chile, with close to 400 MW installed capacity, and more than 600 MW in Mexico, Peru, Colombia and Argentina. In 2015, Grenergy became the first developer of renewable energy projects to go public in the Spanish Stock Exchange since 2007.

The company is committed to offer clean energy options (emission free solar and wind projects) through an environmentally sound focus within its energy production model and operations. In this sense, the company has established Corporate Policies such as an Environmental Management System, a Social Risk Analysis System and an integral Health, Safety, Quality and Environmental (HSQE) policy, to guide its commitment to environmental protection and sustainable development. To this end, Grenergy has developed a pipeline of ready-to-build projects in various phases, which reaches 2,100 MW of additional installed capacity.

In 2020, Grenergy will continue to evolve into a multitech and multicountry independent power producer (IPP) and is expecting to achieve the following targets:

- 350 MW as IPP
- 5,000 MW of pipeline under development in Spain and Latin America.

By creating a Green Bond Framework to finance Eligible Projects, Grenergy coherently responds to the above-mentioned commitments and addresses the main issues of its sector in terms of environmental responsibility.

Use of Proceeds

The net proceeds of the Green Bonds will exclusively finance, in part or in full, one Eligible Project Category, namely: Renewable Energy. We consider that the Eligible Project Category is clearly defined. The issuer commits to obtaining a dedicated Second Party Opinion for any new categories or projects added to its Framework.

The Eligible Projects are intended to contribute to one main environmental objective, namely: climate change mitigation. This environmental objective is considered to be clearly defined and relevant.

The Issuer has clearly defined the expected environmental benefits and has assessed and quantified the expected environmental benefits associated with the Eligible Projects.

The Issuer has transparently communicated on the share of refinancing for this issuance, which is estimated to be 0%.

The Issuer has formalized the main characteristics of the Eligible Projects in its Green Bond Framework:

Eligible Projects categories	Definitions	Environmental objectives and benefits
Renewable Energy	Investment in the conception, construction, operation and maintenance and decommissioning of renewable electricity production units: <ul style="list-style-type: none"> • Wind (onshore) • Solar (photovoltaic) 	Climate change mitigation <ul style="list-style-type: none"> - Renewable Energy generation (MWh) - GHG emissions avoidance (tCO₂e/MWh)

With the Green Bonds, Greenergy intends to finance the following list of Eligible Projects, although new projects must be added in the future. The issuer commits to provide detailed information regarding the projects financed with each issuance:

- Solar photovoltaic projects:
 - o Quillagua (Chile): Expected installed capacity of up to 100 MW, with operations expected to start in May 2020.
 - o Escuderos (Spain). Expected installed capacity of up to 200 MW, with operations expected to start in December 2020.
 - o PMGD package (Chile): Expected installed capacity of up to 90 MW, with operations expected to start in 2019.
- Wind (onshore) energy projects:
 - o Duna and Huambos (Peru): 14 wind turbines and foundations, with a total installed capacity of up to 36 MW, with operations expected to start in July 2020.
 - o Kosten (Argentina): 7 wind turbines and foundations, with a total installed capacity of up to 24 MW, with operations expected to start in 2019.

The Issuer has estimated that the combined total energy generation for these projects will be 1.2 GWh/year, and the total GHG emissions avoided of 484.1 tCO₂eq/year.

In addition, Eligible Projects are likely to contribute to two of the United Nations Sustainable Development Goals (“UN SDGs”), namely: SDG 7. Affordable and Clean Energy and SDG 13. Climate Action.



UN SDG 7 consists in ensuring access to affordable, reliable, sustainable and modern energy for all. More precisely, SDG 7 targets by 2030 include:

- 7.2 Increase substantially the share of renewable energy in the global energy mix
- 7.3 Double the global rate of improvement in energy efficiency



UN SDG 13 consists in taking urgent action to combat climate change and its impacts.

Energy companies can contribute to this goal by supporting the transition to net-zero carbon energy, and by developing and sharing scalable systems to improve the efficiency and sustainability of production across the value chain.

Process for Project Evaluation and Selection

The governance and the process for the projects evaluation and selection are formalized in the Framework and internal documentation. We consider that the process is reasonably structured, transparent and relevant.

The process for evaluation and selection of the Eligible Projects is based on relevant internal and external expertise with well-defined roles and responsibilities:

- Grenergy has established a Committee composed by Grenergy's senior key members, including the Development Director, the ESG Manager, the Global EPC Director and the Asset Manager. The decision-making process includes, when needed, the consultation of relevant stakeholders such as lenders, equipment suppliers and technical advisors. Before an investment decision is taken, Grenergy undertakes a due diligence process aimed at understanding the characteristics and risks and of a project, including potential social and environmental controversies.
- The Committee will be responsible for evaluating the Eligible Projects to be financed by the Bonds, based on the eligibility criteria formalized in the Framework and internal documentation. The analysis performed by the Committee includes technical, legal, financial and sustainability aspects (environmental and social).

The traceability and verification of the selection are ensured throughout the process:

- The Committee will meet quarterly to verify if all projects continue to comply with the eligibility criteria.
- Grenergy is committed to create meeting minutes, for the coming project assessments, ensuring decision traceability.
- The Issuer commits to engage an independent party to verify the compliance with the selection process and criteria.

The process is based on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives of the Bonds.

Selection:

- The eligibility requirements are based on the Eligible Projects' definitions.
- Eligible Projects must comply with Grenergy's Sustainability Policies and with required local environmental regulations and permits.

Exclusion:

- From an environmental and social point of view, Grenergy will exclude projects located in land currently being used for agriculture purposes and also projects which could imply a change in land use.

The identification and management of the environmental and social risks associated with the Eligible Projects are considered to be good.

- All Eligible Projects are subject to environmental and social risk mappings as well as to Environmental Impact Assessments (EIA). The issuer states that the content of the reviewed EIA comply with national legislation of the countries where the projects are located, covering the main environmental issues expected for this type of projects and all project development phases from design to dismantling. Although some of the EIAs have not yet been submitted to the responsible local authorities, no gap has been identified. Once approved, the company is committed to communicate the results of the EIAs to the construction/EPC team, in charge of assuring their compliance and to investors.
- In addition, Grenergy implements Environmental Management and Social Risk Analysis Systems and has received at corporate level both the ISO 14001:2015 and ISO 9001:2015 certifications, which apply to all operations of the company, including the Eligible Projects. In the case of future projects, the Issuer commits to obtain ISO 14001 certification.

- Equally, measures have been implemented to prevent and control accidental pollution and ensure industrial safety such as developing security protocols and emergency plans for each site, including specific procedures in case of fire, explosions, oil spilling or other accidents. There is a Health and Security Manager in each site who is responsible of ensuring the correct implementation of the protocols and an emergency team in charge of managing any crisis. Employees receive dedicated trainings about accident prevention and control. An area of improvement is to inform neighbouring communities and authorities about the procedures to follow if such an emergency occurs.
- Grenergy is committed to establish measures to minimize the impact of its activities on the environment and the biodiversity such as not using herbicides or avoiding the use of agricultural land for its projects. Environmental assessments, fauna and flora monitoring and measures to mitigate the negative environmental impacts of wind turbines on birds are also in place. An area of improvement includes to develop a restoration plan of the areas affected during the construction phase and to specify its commitment regarding constructing on forested lands.
- In terms of water protection, each project has been subject to a preliminary evaluation to determine potential impacts and to define mitigation procedures. Measures such as developing reforestation plans, monitoring water quality and using water obtained from certified sources are in place to minimize the environmental impacts of the project on water resources and soil.
- Grenergy commits to ensure respect of human and labour rights covering all project workers and subcontractors. These commitments are included in internal policies. Contractors must certify their compliance with social labour obligations as well as to follow Health, Safety, Quality and Environmental (HSQE) procedures, that include waste management guidelines and training programs. Additionally, an internal whistleblowing system has been set up for receiving and addressing complaints regarding human and labour rights violations, among other issues. Moreover, at project level, there are procedures to monitor controversies, including human and labour rights controversies.
- The Issuer is engaged to develop responsible relations with suppliers as well as to integrate environmental and social factors in its supply chain. Procurement decision processes follows procedures specified in the UNE-ISO 9001:2015 and UNE-ISO 14001:2015 and consider suppliers' ethical track record and HSQE and CSR policies and commitments. Quarterly or semi-annual meetings are organised with the main providers with the aim of better understanding their level of satisfaction and analyse any complaints that might exist. Annual evaluations are also conducted with providers when non-conformities with procedures are identified.
- Grenergy promotes sustainable relations with the communities where it operates. The Issuer reports that it contributes to the creation of local employment and implements measures such as regular meetings, support to local companies and permanent monitoring of potential social risks in all sites. Attention is given to the promotion of dialogue with local communities, especially indigenous communities, during all phases of project development.
- The management of project governance risks is considered good. A risk and compliance mapping and documents such as a business ethics code and a criminal prevention protocol, covering issues related to corruption, conflict of interest, discrimination and harassment, among other issues, are in place.

Management of proceeds

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

The allocation and tracking processes are clearly defined and formalized in the Framework and internal documentation.

- The net proceeds of the Bonds will be credited to Grenergy's treasury plan and an independent account program will be created to manage the proceeds.
- Grenergy will keep in cash and/or invest any unallocated proceeds in low risk investment, such as fixed income excluding GHG intensive activities and projects facing social and/or environmental controversies. An area of improvement consists in excluding controversial activities from potential instruments to temporary place unallocated proceeds.
- The expected allocation period will be of 12 months but can be extended upon request. An area of improvement is to limit the maximum allocation period to 36 months, in line to the market practices.
- In case of project divestment, Grenergy will ensure that the funds are reinvested in new projects of the company's pipeline. In case of project postponement, Grenergy will decide on a case-by-case basis,

whether to wait or to invest in a new project of similar characteristics from the portfolio. In case of divestment, the expected period of reallocation is of 12 months.

Traceability and verification are guaranteed throughout the process:

- The allocation of funds to Eligible Projects will be tracked by Grenergy's treasury team on a quarterly basis and until the full allocation of the proceeds, using a relevant internal system.
- The Committee will verify that the net proceeds of the Bonds match the allocations to Eligible Projects and that these meet the eligibility criteria, until full allocation of proceeds.
- Internal controls will be applied to ensure the appropriate management of the proceeds.
- In addition, an independent third party will verify the tracking and allocation of funds from the Green Bonds proceeds once a year, until full allocation.

Monitoring & Reporting

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

The process for monitoring, data collection, consolidation and reporting is clearly defined and formalized in the Framework and internal documentation.

The process is structured and based on relevant internal expertise and involves relevant departments of the Issuer:

- A specialised environmental and social team composed by relevant people across Grenergy's business segments is in charge of collecting, assessing, tracking and transmitting environmental and social information from the early development stage until the end of the project lifecycle. Equally, this team is responsible for preparing the draft of the annual reporting. Additional teams are involved in the preparation of the document, including the EPC/Construction and Asset Management departments.
- Grenergy's sustainability management unit will coordinate the work for producing the impact reporting, based on publicly accessible methodologies for the calculation of environmental benefits.

The Issuer commits to annually and transparently report on the environmental, social and governance (ESG) issues related to the Eligible Projects and on the Green Bonds until maturity date and later in case of any material change. The annual reports will be distributed to all relevant stakeholders that may be affected by such reporting, such as investors, and will be publicly available on Grenergy's Website.

The Issuer has committed to transparently communicate on:

- Allocation: The indicators selected to report on the allocation of proceeds are considered relevant.

Use of Proceeds Indicators
- % of allocated and unallocated funds
- Number of projects financed with the proceeds
- Type of project (wind/solar, specifying whether it includes storage with batteries)
- % of investment per country and/or region
- Type of tariffs of the projects (PPA, merchant –spot market-, feed-in-tariff, etc.)

- Environmental benefits (outputs and impacts): The selected indicators are relevant.

Eligible Projects	Environmental output and impact indicators	
Renewable Energy (solar and wind energy projects)	<u>Output:</u> <ul style="list-style-type: none"> - Installed capacity (MW) - Electricity produced (GWh) 	<u>Impact:</u> <ul style="list-style-type: none"> - Annual CO2 and other GHG emissions avoided (tCO2e) - NOx avoided (tCO2e) - Annual % of energy savings for local communities

- The Issuer has identified associated social benefits of the Eligible Project, such as the number of jobs and energy bill savings to utility clients generated with the Projects and will report on these indicators.
- The issuer is also committed to communicate on the annual report about any potential environmental and social controversies that might affect the Eligible projects. If a controversy is identified, Grenergy will explain it and include a plan for mitigation.

The key underlying methodology and/or assumptions used in the calculation of quantitative determination will be disclosed in the Green Bond's reports. For the calculation of the indicators, it will be used procedures approved by international and recognized agencies such as the US Environmental Protection Agency (EPA).

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 projects to be (re)financed 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 Behavior and Corporate Governance. The evaluation framework has been customized regarding material issues, based on our Electric and Gas Utilities assessment framework, projects 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.

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 Issuer's profile is assessed through the involvement of the Grenergy in ESG-related controversies and controversial activities. No rating nor benchmark of the ESG performance of the Issuer has been conducted for this assessment.

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 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).

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.

Involvement in controversial activities

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. FRAMEWORK

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

Use of proceeds

The use of proceeds guidelines is defined to ensure that the funds raised are used to finance and/or refinance Eligible Assets and are traceable within the issuing organisation. Each Asset endorsed shall comply with at least one of the Eligible Assets categories definition to be considered as an Eligible Asset. Vigeo Eiris evaluates the relevance, visibility, and measurability of the associated environmental and/or social objectives. The expected environmental/social benefits of the Eligible Assets have been assessed in terms of definition, assessment and quantification. The contribution of Eligible Assets to sustainable development is evaluated based on the United Nations Sustainable Development Goals.

Process for project 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 selection criteria and associated supporting elements integrated in the Green Bond internal documentation, and the identification and management of environmental and social risks associated to the Eligible Assets 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, environmental benefits (output and impact indicators) and on the responsible management of the Eligible Assets financed by the Green 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.

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 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, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, 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