



## SECOND PARTY<sup>1</sup> OPINION ON SUSTAINABILITY OF IBERDROLA'S GREEN BOND

Issued in April 2016

### SCOPE

Vigeo Eiris was commissioned to provide an independent opinion on the sustainable credentials of the Green Bond to be issued by Iberdrola according to the Vigeo Eiris Environmental, Social and Governance (ESG) assessment methodology. The opinion is based on the review of the three components of a sustainable green bond, in line with the Green Bond Principles:

- Issuer: Analysis of Iberdrola's ESG performance, controversies on ESG issues and capacity to mitigate these risks.
- Project framework: Analysis of the eligible projects category and expected sustainability benefits (use of proceeds), the evaluation and selection process and the ESG integration by the related Business Divisions.
- Reporting framework: Assessment of reporting capacity and commitments for projects fund allocation, sustainability benefits and ESG project management.

Vigeo Eiris's sources of information are gathered from Iberdrola, press content providers and stakeholders. Vigeo Eiris reviewed documents supplied by the issuer, especially the Green Bond framework and list of selected projects.

### VIGEO EIRIS OPINION

Vigeo Eiris confirms that the bond to be issued by Iberdrola is a Green Bond, aligned with the Green Bond Principles and Vigeo Eiris' level of assurance on the sustainability of the bond is reasonable<sup>2</sup>:

- Iberdrola displays an overall robust<sup>2</sup> ESG performance (see Part I.).
- The net proceeds of the issuance will be used to refinance Renewable Energy Projects, which contribute to climate change mitigation and energy transition. In addition, Eligible Projects will meet Iberdrola's Environmental, Social and Governance (ESG) policies, which cover specific ESG risks for defined Eligible Projects attesting their sustainable value and responsible management (see Part II).
- The reporting commitments cover the fund allocation and the environmental benefits, and partially the responsible management of projects with reporting at corporate level, showing an overall consistent level of transparency and capacity to report on the Green Bond (see Part III.).

#### **Part I. ISSUER**

##### Level of the issuer's ESG performance:

As of October 2014, Iberdrola's CSR performance is robust and has remained stable since the last review (October 2012). Iberdrola is ranked in the top half of the "Electric & Gas utilities" Vigeo sector which covers 43 European companies. Iberdrola's approach towards its ESG pillars is homogeneous and achieves robust performance for its Governance, Environmental and Social pillars.

##### ESG risk mitigation:

Vigeo's level of assurance on Iberdrola management of the ESG risk factors of the company ranges from reasonable to moderate. In particular, our level of assurance regarding the management of risk relating to its human capital, reputation and operational efficiency is good, while our level of assurance regarding the management of CSR risks related to its legal security is moderate.

##### Stakeholder-related ESG controversies<sup>3</sup> and disputable activities:

As of April 2016, Iberdrola has faced isolated allegations. Iberdrola is overall reactive: it reports transparently in three cases, including cases with high level of severity, and remedial actions have been taken for one case. Regarding the 9 disputable activities<sup>4</sup> analysed by Vigeo, Iberdrola is involved in nuclear activity. According to the company, Iberdrola was selected by FTSE4 GOOD as the first Company with nuclear assets and is providing exhaustive information regarding nuclear indicators<sup>5</sup>.

## **Part II. PROJECT FRAMEWORK**

### Use of proceeds:

In line with its commitments and CSR and Sustainability policies, the net proceeds of the green bond will be used to refinance, in whole or in part, Renewable Energy Projects. These projects are existing projects of conception, construction, operation and/or maintenance of renewable energy production units, produced from wind power, which are located in Spain, Portugal and the United Kingdom.

Eligible Projects' contribution to sustainable development is positive, due to expected environmental benefits on climate change mitigation and energy transition.

### Process for project evaluation and selection:

The process for evaluation and selection of eligible projects to be refinanced is defined and publically available on Iberdrola's website<sup>6</sup>, through the hereby document, through:

- Use of proceeds requirements, i.e. Renewable Energy Projects with environmental benefits
- An exclusion criteria, based on the integration of ESG factors according to Iberdrola's CSR and Sustainability policies, in case of any litigation related to ESG matters

ESG factors applying to Renewable Energy Projects are included in the following principles defined by Iberdrola's Sustainability Policy<sup>7</sup>:

- **Environment:** Environmental management, Protection of biodiversity, Atmospheric emissions and Energy management
- **Creation of value:** ESG risk management, Responsible Customer Relation, Sustainable Procurement, Promotion of Business Ethics
- **Social dimension:** Improvement of Health & Safety and Employment Conditions, Respect of human rights, Sustainable local insertion and Access to energy and prevention of fuel poverty

Iberdrola's existing related commitments are exhaustive, covering all ESG specific risks for defined Renewable Energy Projects. These sustainability commitments applied to the whole business divisions of the group and Renewable Energy projects are fully integrated in each business division.

The integration of ESG factors in the project management and the project fulfilment with Iberdrola's CSR and Sustainability policies is double checked by the Sustainability team. The list of eligible projects to be financed by the proceeds of the bond has been set up according to the requirements of the green bond framework, involving internal skills within Business Development, Environment and Finance teams. Regarding the refinancing of these existing projects, Iberdrola states that there has not been any litigation in ESG matters which is material in the context of the group since 2008.

Vigeo Eiris considers that summary criteria are defined for project evaluation and selection, and the integration of sustainability issues in the issuer's commitments is robust, in line with the issuer's CSR rating profile.

We provide a reasonable level of assurance on selected projects, as Renewable Energy Projects all located in Spain, Portugal and the UK, contributing to climate change mitigation and energy transition.

## **Part III. REPORTING FRAMEWORK**

Iberdrola commits to report annually and until the maturity date of the Bond, in its Sustainability Report, on:

- Use of the Green Bond proceeds: list of financed projects, with related description, fund allocation and compliance of selected projects with the green bond framework.
- Environmental benefits: annual estimates of climate benefits of each eligible project financed by the bond, then aggregated at bond level

Concerning responsible management of selected projects, Iberdrola will report at corporate level only, through the annual Sustainability Report. Eligible Projects are fully integrated in business divisions, covered by the overall annual corporate reporting, which covers integration of all ESG issues. No information will be provided at project level, apart from any potential litigation or breach of ESG indicators observed at project level, which is an area of improvement.

Selected reporting indicators are exhaustive and relevant regarding use of proceeds and environmental outcomes, showing a consistent capacity to transparently report on fund allocation and project benefits. Based on the integrated corporate reporting, the information on responsible management at project level is more partial.

Vigeo Eiris provides a reasonable level of assurance on Iberdrola' reporting commitments.

## INDEPENDENT ASSURANCE

Iberdrola's Green Bond issuance is supported by independent assurance provided by:

- The hereby **Second Party opinion** on sustainability credentials of the Green Bond, based on pre-issuance commitments and covering all the bond dimensions, i.e. issuer commitments, project (use of proceeds and ESG integration) and reporting (purpose of this mission).
- A **Third Party** being an external ESG and/or financial auditor, verifying annually the tracking of the bond proceeds, the compliance of the selected projects with the above eligibility process and the reporting metrics, during the fund allocation process, until the maturity date of the Bond.

More detailed results are provided in the next pages for each component.

*This opinion is valid as of the date of issuance limited to Iberdrola's Green Bond*

Paris, April 13<sup>th</sup> 2016



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## Disclaimer

Transparency on the relation between Vigeo Eiris and the issuer: Vigeo Eiris has executed 1 audit mission for Iberdrola (second party opinion delivery on green bond in April 2014) and no established relationship (financial or others) exists between Vigeo Eiris and Iberdrola.

This opinion aims to explain for investors why the Green Bond is considered as sustainable and responsible, based on the information which has been made available to Vigeo Eiris and which has been analyzed by Vigeo Eiris. Providing this opinion does not mean that Vigeo Eiris certifies the materiality, the excellence or the irreversibility of the projects financed by the Green Bond. Iberdrola 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 Green Bond, nor on the effective allocation of funds' use of 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 Iberdrola or its financial obligations.

<sup>1</sup> Second Party Opinion – Green Bond Principles: This opinion is to be considered as the "Second Party Opinion" described in the Voluntary Process Guidelines for Issuing Green Bonds, issued by Green Bond Principles, March 27<sup>th</sup> 2015.

<sup>2</sup> Vigeo Eiris' scales of assessment (detailed definitions are available on page 9):

Performance : Advanced, Robust, Limited, Weak.

Level of Assurance : Reasonable, Moderate, Weak.

<sup>3</sup> The opinion delivered on stakeholder-related ESG controversies is not a conclusion on the creditworthiness of Iberdrola or its financial obligations.

<sup>4</sup> Disputable activities analysed by Vigeo: Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, GMOs in food & feed, Nuclear energy, Sex industry, Tobacco.

<sup>5</sup> Reporting on nuclear indicators: [www.iberdrola.es/reputation-sustainability/main-initiatives-indexes/management-nuclear-performance-indicators/](http://www.iberdrola.es/reputation-sustainability/main-initiatives-indexes/management-nuclear-performance-indicators/)

<sup>6</sup> [www.iberdrola.es/accionistas-inversores/relacion-inversores/renta-fija/bonos-verdes/](http://www.iberdrola.es/accionistas-inversores/relacion-inversores/renta-fija/bonos-verdes/)

<sup>7</sup> Iberdrola's Sustainability Policy [www.iberdrola.es/webibd/gc/prod/en/doc/responsabilidad\\_sostenibilidad.pdf](http://www.iberdrola.es/webibd/gc/prod/en/doc/responsabilidad_sostenibilidad.pdf)

## DETAILED RESULTS

### Part I. ISSUER

#### Level of Iberdrola's ESG performance:

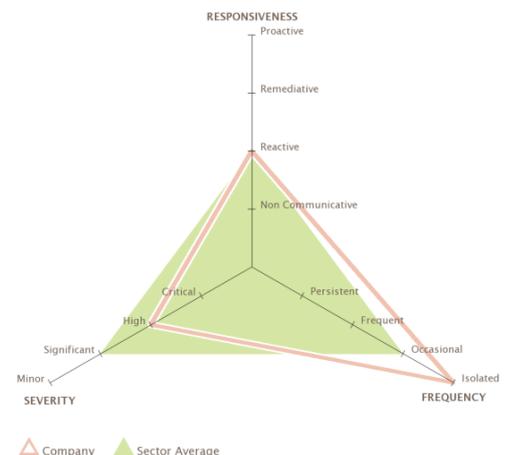
As of October 2014, Iberdrola displays an overall robust ESG performance.

Domain	Comments	Opinion assessment level
Environment	Iberdrola's performance in the Environment domain is considered robust and stands in line with the sector average. The Company reports on quantitative indicators including the thermal carbon factor, but not on performance indicators related to the outcomes of energy demand-side management measures. Of note, the intensity of emissions from the Group's thermal plants has dropped over the past three years. Yet, Iberdrola has faced an allegation in 2014 regarding potential negative impacts of a wind project on local biodiversity. On a positive note, Iberdrola has a low global carbon factor, supported by a high share of renewable generation and quantitative targets to reduce CO <sub>2</sub> and other air emissions. Finally, ISO14001 certified management system covers most of its operations.	Advanced
		Robust
		Limited
		Weak
Social	<p>Iberdrola's performance in the Human Resources domain is robust and in line with the sector average. In terms of career management, all the employees received training in 2013, and the majority had performance interviews. As for health &amp; safety issues, most of Iberdrola's operations are covered by OHSAS 18001 certified system.</p> <p>Iberdrola's performance in the Human Rights domain is robust, stable and in line with the sector average. With regard to the promotion of human rights, Iberdrola has issued a formalised policy supported by significant measures including training, monitoring of human rights risks and external audits.</p> <p>Iberdrola's performance in the Community Involvement domain is robust and stands above the sector average. While the Company still reports extensive measures to reduce fuel poverty and improve access to energy including social tariffs, financial support, rural electrification and capacity building, it also appears to be involved in the promotion of the social and economic development of local communities.</p> <p>Iberdrola has implemented significant measures to ensure responsible customer relations and respect contractual agreements and formalised an accessible system to handle complaints</p>	Advanced
		Robust
		Limited
		Weak
Governance	<p>Iberdrola's performance in the Corporate Governance domain is advanced and stands above the sector average. The Board and its committees display globally a high level of independence, and the Board oversees CSR issues. In addition, the internal control system has a comprehensive role supported by a confidential reporting system.</p> <p>Iberdrola's performance in the Business Behaviour domain is limited and in line with the sector average. On one hand, Iberdrola's performance is advanced in terms of Prevention of Corruption. On the other hand, Iberdrola displays limited performances in the remaining evaluated issues. This is partly the result of one allegation faced by the Company in 2014 regarding anti-competitive practices. Still, the Company communicates in a detailed way on the occurrence of the controversy.</p>	Advanced
		Robust
		Limited
		Weak

#### Stakeholder-related ESG controversies:

- **Frequency:** As of April 2016, Iberdrola faces isolated allegations: the Company is involved in 4 stakeholder-related ESG controversies, regarding customer relations, anti-competitive practices, biodiversity and social and economic development.
- **Severity:** The level of severity is high for the cases related to customer relations and anti-competitive practices, and is minor for the case related to biodiversity and social and economic development.
- **Responsiveness:** Iberdrola is overall reactive: the Company reports transparently in three cases, including cases with high level of severity, and remedial actions have been taken for one case.

Sources: Factiva research and Company's sources



Involvement in disputable activities:

Iberdrola's level of involvement in nuclear energy is major, based on an estimation of the level of the company's involvement (5-10%). According to the company, Iberdrola was selected by FTSE4 GOOD as the first Company with nuclear assets and is providing exhaustive information regarding nuclear indicators.

Iberdrola is not involved in any of the 8 other disputable activities analyzed by Vigeo Eiris.

**Part II. PROJECT FRAMEWORK**



**Project Selection Framework**

1. Ensure the **refinancing of Renewable Energy Projects from wind power**, according to Iberdrola's Sustainability policy



2. Attest the **Sustainable Value of the project** through ESG commitments in line with Iberdrola's Sustainability Policy in 3 areas:



Environment



Creation of value



Social dimension

Use of proceeds:

The net proceeds of the Green Bond issuance will be used to refinance, in whole or in part, Eligible Projects, defined as Renewable Energy projects, and will meet Iberdrola's Environmental, Social and Governance (ESG) policies, evaluated by Vigeo Eiris. These projects are existing projects\* located in Spain, the United Kingdom and Portugal:

- \* Existing projects means projects already in operation, with operational dates as from 2008.

Use of proceeds criteria and expected environmental benefits have been defined in the table below:

Eligible Projects	Definition	Sustainability benefits
Renewable Energy projects	Financing of, or investments in development, construction, installation and maintenance of renewable energy production units - Energy produced from renewable non-fossil sources, more specifically from wind power (onshore and offshore)	- Climate change - Energy transition

The Eligible Projects' contribution to sustainable development is positive, due to environmental benefits of these projects, which have been described and will be assessed annually, using impact reporting (see Part III.).

Process for project evaluation and selection:

The evaluation and selection of eligible projects based on the described process will use internal expertise:

- The respect of use of proceeds requirement, i.e. the definition of Renewable Energy Project is doubled checked by business and environmental teams
- The project fulfilment with Iberdrola's CSR and Sustainability policies and absence of any ESG matters are doubled checked by the Sustainability team (application of the exclusion criteria)
- The list of selected Eligible Projects is set up by business and environmental teams, based on internal expertise, and submitted to the Finance Department for validation and selection.

Projects will be added to the report once the issuer, i.e. through this selection process, has approved and determined a project as eligible.

Iberdrola's evaluation and selection process has been assessed by Vigeo regarding the exhaustiveness and relevance of ESG criteria and associated commitments implemented at project level, applied to the whole business divisions of the group and consistent with Iberdrola Sustainability Policy. The analysis was conducted based on 16 relevant ESG drivers. Regarding Iberdrola's commitments and practices for each criteria, Vigeo's level of assurance on ESG integration in the project selection is robust, in line with the issuer's CSR rating profile.

Vigeo Eiris considers that summary criteria are defined for project evaluation and selection.

#### List of projects

The list of selected eligible projects have been set up by Iberdrola. Regarding the refinancing of these existing projects, Iberdrola states that there has not been any litigation in ESG matters which is material in the context of the group since 2008, in its yearly register document ('Documento de Registro de Acciones'). The Issuer also considers that, in accordance with its Sustainability Report 2015, selected projects are compliant with the above described process.

Company	Name of the project	Type of project	Country	Installed Capacity (MW)
Alvao	Alvao	Wind	Portugal	42
Iberdrola Energías Renovables de Andalucía	Puerto de Malaga	Wind	Spain	12
Sistemas Energéticos La Linera	Cortijo Linera	Wind	Spain	28
Iberdrola Energías Renovables de Andalucía	Cabezas	Wind	Spain	17
Iberdrola Energías Renovables de Andalucía	Centenar	Wind	Spain	40
Iberdrola Energías Renovables de Andalucía	Majal Alto	Wind	Spain	50
Iberdrola Energías Renovables de Andalucía	Retuerta	Wind	Spain	38
Iberdrola Energías Renovables de Andalucía	Saucito	Wind	Spain	30
Iberdrola Energías Renovables de Andalucía	Tallica	Wind	Spain	40
Iberdrola Energías Renovables de Andalucía	Valdefuentes	Wind	Spain	28
Iberdrola Energías Renovables de Aragón	Torrecilla	Wind	Spain	16
Ibernova Promociones	Coterejon II	Wind	Spain	6
Sistemas Energéticos Altamira	Altamira	Wind	Spain	49
Iberdrola Energías Renovables de Andalucía	Lirios	Wind	Spain	48
Iberdrola Energías Renovables de Galicia	Nogueira	Wind	Spain	3
Ibernova Promociones	Alto de la Degollada	Wind	Spain	50
Sistemas Energéticos Gomera	Gomera	Wind	Spain	12
Sistemas Energéticos Savalla Comtat	Savalla	Wind	Spain	18
Sistemas Energéticos Savalla Comtat	Conesa II	Wind	Spain	32
Iberdrola Energías Renovables de Aragón	Espartal	Wind	Spain	6
Iberdrola Energías Renovables de Aragón	Torrecilla II	Wind	Spain	22
Sistemas Energéticos Gomera	Gomera II	Wind	Spain	6
Energías Renovables de la Región de Murcia	Las Cabras	Wind	Spain	22
Scottish Power Renewables	Arcleoch	Wind	UK	120
<b>TOTAL</b>				<b>736</b>

Management of proceeds:

The net proceeds of the Bond issuance will be managed within Iberdrola’s treasury liquidity portfolio, in cash or other liquidity instruments that do not include GHG intensive activities. Iberdrola will track investments of the proceeds allocated to Eligible projects. This tracking is integrated into the annual financial reporting process. The overall share of refinancing is 100% (i.e. refinancing of projects financed from 2008).

In case of asset divestment, Iberdrola will use the net proceeds to finance other Eligible Projects which are compliant with the current framework.

**Part III. REPORTING FRAMEWORK**



3. Report to investors on **financed projects** and **environmental benefits**, via reporting indicators (ex-post evaluation)

Iberdrola commits to report annually in its Sustainability Report and until the maturity date of the Bond on:

- Use of the Green Bond proceeds: list of financed projects, with related description, fund allocation and compliance of selected projects with the green bond framework.
- Environmental benefits: annual estimates of climate benefits of each eligible project financed by the bond, then aggregated at bond level

Responsible management of each project is monitored at corporate level only: Renewable Energy projects are fully integrated in each business divisions, covered by the overall annual group reporting, which considers all ESG issues and is made in the annual Sustainability Report, available on the issuer website. No information on responsible management of each financed projects will be monitored at project level, which is an area of improvement.

All the main ESG issues are measured by Iberdrola, reported annually in its Sustainability Report and their GRI compliance is verified by a third party. An auditor’s attestation will be delivered at least yearly till the maturity of the bond on the amounts of eligible projects financed and environmental metrics.

In order to report on the impact measured, Iberdrola could substitute any of the selected indicators when it considers that it is convenient and could integrate any other indicators when considered as appropriate to disclose the performance of such projects.

Fund allocation:

Category	Aggregated at bond level
Use of proceeds	- List of financed project (type, location, operation date) - Amount in € invested by project

Environmental benefits:

Benefits	Reporting indicators
Climate change mitigation - Reduction of GHG emissions	- Installed power in MW by source - GHG emissions avoided in teqCO2 - Annual production in MWh

## METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance factors are intertwined and complementary and cannot be separated when assessing the management of ESG in any organization or in any activity, including the issuance of bonds.

In this sense, Vigeo Eiris writes an opinion on the issuer's corporate responsibility as an organization, and on the objectives, the management and the reporting of the projects financed by this bond.

Vigeo Eiris' methodology to define and to assess corporate 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 the Electric & Gaz Utilities assessment framework, project specificities and emerging issues.

### **Part I. ISSUER**

#### Level of the issuer's ESG performance:

Iberdrola has been evaluated by Vigeo Eiris in October 2014 on its social responsibility performance, based on 25 relevant ESG drivers organized in the 6 sustainability domains. Iberdrola's ESG performance has been assessed by Vigeo Eiris on the basis of three "items":

- Leadership: relevance of the commitments (content, visibility and ownership)
- Implementation: coherence of the implementation (process, means, control/reporting)
- Results: indicators, stakeholders feedbacks and controversies

▪ Scale for assessment of ESG performance: Advanced, Robust, Limited, Weak.

Vigeo Eiris' review uses publicly available information from the Company, 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 NGOs).

#### Stakeholder-related ESG controversies and involvement in disputable activities:

A controversy is information, a flow of information, or contradictory opinions that are 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 three factors :

- Severity: the more a controversy will relate to stakeholder's 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);
- 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).

▪ Scale for assessment of ability to mitigate stakeholder-related ESG controversies: Advanced, Robust, Limited, Weak.

Regarding the involvement in disputable activities, the company's level of involvement (Major, Minor, No) in a disputable activity is based on:

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

## Part II. PROJECT FRAMEWORK

### Use of proceeds:

The use-of-proceeds requirements are defined to ensure that the funds raised are used to refinance an eligible project and are traceable within the issuing organization, and include the management of proceeds. Each project endorsed shall comply with all of the eligible project criteria in order to be eligible.

Vigeo has reviewed the integration of ESG factors in the evaluation and selection process, aiming at a responsible management of financed projects, regarding the exhaustiveness and the relevance of ESG criteria and associated commitments, based on 16 relevant criteria, regarding Environment, Human Resources, Human Rights, Business Behaviour, Local Communities and Governance domains and taking into account ESG issues of Iberdrola’s sector.

The sustainability purpose of the bond’s associated eligible projects has been precisely defined, with regard to Iberdrola’s commitments, and assessed regarding described and estimated benefits of the eligible projects. The contribution of eligible projects to Sustainable Development is evaluated regarding the UN Sustainable Development Goals.

### Process for project evaluation and selection:

The evaluation and selection process has been assessed by Vigeo Eiris regarding the exhaustiveness and relevance of ESG selection criteria and associated supporting elements integrated in the Green Debt Instrument framework, and the coherence of the process. The analysis was conducted focusing on the most relevant drivers regarding projects issues - based on 15 relevant ESG drivers, aligned with public international standards - and on the evaluation methodology.

- Scale for assessment of ESG integration in the selection process: Advanced, Robust, Limited, Weak.

Vigeo Eiris’s review uses information provided by Iberdrola, press content providers and stakeholders (Factiva Dow Jones), especially the Green Bond framework and 2015 Sustainability Report..

## Part III. REPORTING FRAMEWORK

Reporting indicators are selected from existing indicators to enable annual reporting on fund allocation, environmental and social benefits and on responsible management of the project financed by the Green Bond proceeds, collected at project level and aggregated at bond level. Vigeo Eiris has evaluated the relevance of these indicators according to three principles: transparency, exhaustiveness and effectiveness.

- Scale of level of assurance on reporting on the project: Reasonable, Moderate, Weak

## VIGEO EIRIS’S 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.
Robust	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

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