

REVIEW OF THE SECOND PARTY OPINION¹

ON THE SUSTAINABILITY OF REGION ÎLE-DE-FRANCE'S GREEN & SUSTAINABILITY BOND FRAMEWORK²

June 2020

Région Île-de-France (“the Issuer” or “the Region”) issued a “Green & Sustainability Bond” in 2012 to finance projects that facilitate an ecological transition and develop social business in the territory, aligned with sustainable development commitments and strategy. Since 2012, Région Île-de-France has conducted 8 green and sustainable bond operations, for a total of 3.2 billion euros.

In 2014, Vigeo Eiris provided an independent opinion (“SPO”) on the sustainability credentials and management of the Green and Sustainability Bond issued by Région Île-de-France, which was updated in 2016. The Issuer has slightly amended its Framework to integrate expenses related to the Covid-19 crisis response. The Issuer is contemplating a new bond issuance (“the Bond”) under this revised Framework, to finance its 2020 investment budget.

SCOPE

Vigeo Eiris, an independent third-party expert, was commissioned by the Région Île-de-France to update its last Second Party Opinion on the sustainability credentials and management of the Green and Sustainability Bond issued by the Région Île-de-France.

Our opinion is prepared in accordance with our exclusive social responsibility performance and risk assessment methodology (Environmental, Social and Governance Factors - ESG), and in line with the ICMA's Green Bond Principles (“GBP”) and Social Bond Principles (“SBP”) voluntary guidelines (referred together as the “GBP & SBP”), both edited in June 2018.

This review presents an update of our initial opinion on the following two components:

- **Issuer:** We assessed the Issuer's ESG performance³, and its management of potential stakeholder-related ESG controversies⁴.
- **Issuance:** We reviewed the sustainability credentials of the Green and Sustainable Expenditures identified by Région Île-de-France which would be financed by the anticipated Bonds to be issued in 2020.
 - ▶ Use of proceeds: document-based review of the correspondence of the green and sustainable expenditures with the seven eligible project categories in Région Île-de-France's Framework.
 - ▶ Process for projects evaluation and selection: review of the transparency and implementation of Région Île-de-France's commitments regarding the evaluation and selection of Green and Sustainable Expenditures and the application of the eligibility criteria defined in the Framework.

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

We carried out our due diligence assessment from May 20th to June 9th, 2020. We consider that we were provided with access to all the appropriate documents and interviewees we solicited. To this purpose we used our reasonable efforts to verify such data accuracy.

VIGEO EIRIS' OPINION

1) Issuer (see Part I):

- ▶ As of May 2020, Région Île-de-France displays a good ESG performance, ranking 4th in our “Local authorities” sector which covers 29 local authorities. The Issuer's performance is good in the Environmental pillar, advanced in the Social pillar, and limited in the Governance pillar.

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”, “Social Bond” and “Sustainability Bond” are to be considered as the bonds to be potentially issued, subject to the discretion of the Issuer. The name “Green Bond” “Social Bond” or “Sustainability Bond” has been decided by the Issuer: it does not imply any opinion from Vigeo Eiris).

³ The Issuer's ESG performance was assessed in May 2020 by a complete process of rating and benchmark developed by Vigeo Eiris. All potential evolutions and data published after this date are not included in the rating.

⁴ The 17 controversial activities screened by Vigeo Eiris are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Gambling, Genetic engineering, High interest rate lending, Human Embryonic Stem Cells, Military, Nuclear power, Pornography, Reproductive medicine, Tar sands and oil shale, and Tobacco.

- ▶ As of today, Région Île-de-France is facing one controversy related to the Community Development domain (criteria “Social cohesion”). The frequency of the controversy is considered isolated. The severity of its impact on both the company and its stakeholders is considered significant. Région Île-de-France is considered proactive. The Région Île-de-France’s ability to mitigate controversy risks is considered advanced.

2) Issuance (see Part II): we express a reasonable level of assurance (our highest level of assurance) on the sustainable credentials of the Green and Sustainable Expenditures identified by the Région Île-de-France for 2020.

The Issuer has described the main characteristics of the Bonds within a formalized Green and Sustainability Bond Framework (the last updated version was provided to Vigeo Eiris on June 8th, 2020). The Issuer has committed to make this document publicly accessible on their website at the Bonds’ issuance date, in line with good market practices.

- ▶ The proceeds will be used to finance and refinance Green and Sustainable Eligible Expenditures corresponding to seven Sectors. We express a reasonable level of assurance on the Issuer’s capacity to use the Green and Sustainable bond proceeds for projects contributing to climate change mitigation, protection of natural resources, access to decent living conditions for the most vulnerable, access to sanitary actions, access to social housing, and social and economic development of the Region, in line with twelve UN Sustainable Development Goals (SDGs).
- ▶ We consider that the overall level of implementation of the Issuer’s commitments is good in terms of evaluation and selection process, application of eligibility criteria and allocation of proceeds from the Bond.

This Second Party Opinion is based on the review of the information provided by the Issuer, according to our exclusive assessment methodology and to the GBP & SBP voluntary guidelines (June 2018). The Région Île-de-France acknowledges that in case of changes of such standards and market practices and expectations, VIGEO EIRIS shall exclude any liability regarding the use of the concerned Second Party Opinion and its compliance with then-current standards and market practices and expectations.

Paris, June 9th, 2020

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Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Since 2014, Vigeo Eiris has executed two audit missions for Région Île-de-France until now. No established relation (financial or commercial) exists between Vigeo Eiris and the Issuer.

This opinion aims at providing an independent opinion on the sustainability credentials 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. 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 deliverables remain the property of Vigeo Eiris. The draft version of the Second Party Opinion by Vigeo Eiris is for information purpose only and shall not be disclosed by the client. Vigeo Eiris grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond(s) issuance. The Issuer acknowledges and agrees that Vigeo Eiris reserves the right to publish the final version of the Second Party Opinion on Vigeo Eiris’ website and on Vigeo Eiris’ internal and external communication supporting documents.

DETAILED RESULTS

Part I. ISSUER

Created by law in 1976, the Région Île-de-France (IDF) is the French name for the Paris Region, including the urban core and the commuting field around. It is one of the 13 Metropolitan French Regions. It accounts for 2% of the national territory with 12,012 square kilometres (80% of green areas). With its 8 different administrative departments and 1,296 municipalities, the IDF Region was home to 12.2 million people in 2019, accounting for 19% of the population in France, and 2.4% of the active population in the European Union. The Region is one of the wealthiest regions in France, with €709 billion GDP in 2017, representing 31% of France's GDP, and one of the highest GDP per capita in Europe (€58,300 in 2017), representing 194% of European average. The Region's decisions are made during the Regional Council meetings, made up of 209 members elected by universal suffrage.

The Region has special competence in transports and planning and also has competences in secondary and higher education, employment & professional training, economic development, research, environmental protection, housing & urban renewal, solidarity, sports and culture. The Region also physically manages leisure centres, high schools and other regional buildings. Its main activity consists of financing projects led by local authorities or other organisms.

Level of ESG performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmark.

As of May 2020, Région Île-de-France displays an overall good ESG performance, ranking 4th in our "Local authorities" sector which covers 29 local authorities.

Domain	Comments	Opinion
Environment	<p>Région Île-de-France's performance in the Environment pillar is good, and above the sector average.</p> <p>The Region continues to disclose a comprehensive environmental strategy backed by significant measures and some quantitative targets on almost all issues. Environmental issues are included in the SDRIF ("Schéma Directeur de la Région IDF"), the regional development and urban planning document for 2007-2030. In addition, the IDF Region aims at becoming the first "Ecoregion" in Europe and is committed to address most of the environmental issues under review through plans and charters, and through its Agenda 21 (renewed for 2014-2015), and its Exemplarity Plan launched in 2012. The Region also has drawn up a frame of reference for Eco-construction and has a Regional Plan for Climate. In July 2018, the Region adopted the Climate, Air and Energy Strategy focusing on innovation and development of renewable energy, including specific targets.</p>	Advanced
	<p>According to the reported information, the Region's system to manage the protection of biodiversity is advanced. The local authority implements several measures in protection of biodiversity and is proactive in its improvement. The Region IDF defined 10 action plans based on the 10 operational objectives set in its 2007 Strategy and has implemented several measures in order to protect biodiversity. The Region discloses some indicators regarding biodiversity protection: in 2017, the region reports that 47% of its territory is utilised agricultural land, and that 24% of its land is forested areas.</p>	Good
	<p>Regarding the environmental impacts from energy use, the Region has set quantified targets for its energy consumption and energy-related emissions, such as a reduction of 75% of greenhouse gases emissions by 2050, compared to 1990. The Region details the means in place to reduce its own energy consumption as well as energy consumption on the territory, however, does not disclose quantitative data on energy consumption on its territory.</p>	
	<p>The management of local pollutions and nuisances is advanced, with commitments and measures in place to reduce noise pollution and improve air quality.</p> <p>The issues of Water and Waste management systems are addressed with dedicated policies and measures, and quantitative targets. Room for improvement remains in reporting regularly updated quantitative results indicators showing positive long-term evolutions in the management of these issues.</p>	Limited
	<p>Regarding transport, The IDF Region has set up a Plan for the transportation of its employees as part of "Exemplarity 2011". The 2013 Atmosphere Protection Plan (PPA) reinforces the obligation for the Region to take action in that area. Related provisions are also included in the Agenda 21 Action Plan 2014-2015. In 2017, the Region plans to support local mobility plans (at communal level), to improve and develop the bus network ("Grand Paris Bus"), to renovate 700</p>	

	<p>metro reams between 2016-2021, to implement a regional bike plan and to support SMEs in the acquisition of green vehicles. In 2017, the Region also adopted its Plan de Déplacements de l'Administration 2017-2020 which aims at reducing commuting for agents between their home and workplace. The local authority has set up all the relevant measures to reduce its environmental impacts related to the transport on its territory, which are additionally innovative. However, there appears to be no normalised monitoring of energy consumption or CO2 emissions related to transportation on the territory.</p> <p>The Region's integration of environmental factors in procurements is advanced, with a formalised commitment and specific targets, and dedicated environmental audits carried out by external auditors.</p>	Weak
Social	<p>Région Île-de-France's performance in the Social pillar is advanced, and above the sector average.</p> <p>The Region's performance in the Human Rights domain is good in absolute terms. On the respect for human rights standards and prevention of violations, the Region has signed the European Charter for Equality of women and men in local life in 2008. This commitment is supported by the representatives of the local community, and external stakeholders are consulted, for example for the issue of personal data protection, and violence towards women. On non-discrimination, the Region continues to disclose a formalised commitment backed with quantitative targets and significant measures. Moreover, the gender balance has remained stable over the past three years.</p>	Advanced
	<p>The Region's performance in the Human Resources domain is good in absolute terms. The performance in promotion of labour relations is advanced, including the implementation of a significant number of measures in support of social dialogue. There are collective agreements in place, covering subcontractors as well. Performance in career management and promotion of employability is also advanced. The Region continues to disclose commitments to career management, the respect of working hours and remuneration and health and safety, backed by some measures. It is worth noting that the IDF Region's Training Plan for 2016-2018 was elaborated through consultation with trade unions.</p>	Good
	<p>The Region's performance in Community Development is advanced. The Region continues to disclose formalised commitments to address all the issues under review backed by comprehensive regional strategies as well as extensive measures. These issues include developing the economy, employment and vocational training, sustainable territorial planning, promoting access to public services, and adapting infrastructures to sensitive categories. Generally, room for improvement remains only in disclosing results indicators updated yearly.</p>	Limited
	<p>The Region's performance in Procurement and Services is overall good. Its quality of relations with service recipients is advanced. The Region demonstrates sustainable relationships with its suppliers and subcontractors, and has set specific targets. It has also made a formalised commitment to including social factors in supply chain management, and set specific targets, and dedicated social audits are carried out by internal auditors.</p>	Weak
Governance	<p>Région Île-de-France's performance in the Governance pillar is considered limited.</p> <p>Regarding representative and participative democracy, it is worth noticing the Region appears to favour participative democracy and to consult systematically the general public to get its opinion on the projects launched. There are measures to ensure the transparency and objectivity of nomination procedures, remuneration, and potential conflicts of interest of the main executives. The attendance at local council meetings is very high, at 98% in 2018. Significant measures have been taken to guarantee access to information and participation of opposition parties, as set in the General Code of Local Authorities. In addition to providing regular information to stakeholders, the local authority has set up formal mechanisms to interact with stakeholders, including press conferences, the Youth Regional Council ("Conseil Regional des Jeunes"), and the Handicap Consultative Council ("Conseil Consultatif du Handicap"). The Regional Council meets at least once every quarter and deliberations and legal decisions taken at the Local Council are published on the website and accessible by the public. In addition, information related to the coming deliberations are available at least 14 days in advance. Finally, it can be noted that voter participation has increased in the last elections, with 54% of voters in 2015 in comparison to 45% in 2010.</p>	Advanced
	<p>Regarding Audit and Internal Controls, although the Audit Committee has a comprehensive role, information on the audit committee and its members is insufficient. Of note, in addition to the work of the Audit Committee, the General Inspection of the IDF Region studies, consults and controls the organisation and functioning of the regional services. There is a monitoring tool in place to follow-up all voted projects, within each department, and through external audits.</p>	Limited

	<p>Moreover, the Region publishes significant social and environmental reporting, with quantitative indicators, but this reporting is not audited/reviewed by a third party, since Deloitte's opinion in 2015-2016⁵. However, the score is negatively impacted due to a lack of disclosure of information about the Audit Committee.</p> <p>Regarding prevention of corruption, the Region has issued a formalised commitment to preventing corruption in its Ethics Charter, which addresses gifts and conflicts of interest. However, there is room for improvement in the disclosure of measures for the prevention of corruption, as well as KPIs.</p>	<p>Weak</p>
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Management of stakeholder-related ESG controversies

As of today, Région Île-de-France is facing one stakeholder-related ESG controversies, linked to one of the six domains we analyse:

- Community Development, in the criteria of "Social Cohesion".

Frequency: The controversy is considered isolated, better than the sector average.

Severity: The severity of its impact on both the company and its stakeholders is considered significant, better than the sector average.

Responsiveness: Région Île-de-France is proactive, better than the sector average: the Issuer has taken systemic remedial actions.

Details of the controversy: The Région Île-de-France was criticised by certain local representatives and NGOs for its decision to use EUR 730,000 initially dedicated to the transport of people with disabilities to finance other projects. The Region has specified that this is a simple and usual transfer of funds, due to a lack of need for this budget in the specified year. The available budget for the transport of people with disabilities is usually overestimated, and what remains in excess (when there is no further demand for funds) has been reallocated to other projects, otherwise it is lost, due to French public accounting laws (the principle of "annualisation des dépenses", budgetary principle of annuality).

The Région Île-de-France's ability to mitigate controversy risks is considered advanced.

⁵ https://www.iledefrance.fr/sites/default/files/medias/2020/04/Third_Party_Opinion_Deloitte.pdf

Part II. ISSUANCE

We express a reasonable level of assurance on the sustainable credentials of the Green and Sustainable Expenditures identified by the Région Île-de-France for 2020.

Use of proceeds

Of note, Région Île-de-France has declared their intention to update their Green and Sustainable Bond Framework in 2021, to align with the latest European legislation.

As of today, several projects and schemes are identified by the issuer as eligible in 2020, each corresponding to at least one of the seven sectors⁶ defined by the issuer in its slightly amended Green & Sustainability Framework, namely:

- Buildings and facilities for education and leisure
- Public transportation and sustainable mobility
- Renewable energy and energy efficiency
- Biodiversity
- Social and sanitary actions in favour of the population
- Social housing
- Social, solidarity and economic development

Of note, the sector “social and sanitary actions in favour of the population” is an update to the category “social initiatives aimed at assisting vulnerable population groups”, in order to integrate Covid-19 control measures, including a new sub-category named “projects contributing to the development of health infrastructures and health equipment, Research & Development, and emergency infrastructures in case of exceptional crisis (sanitary crisis, natural disaster).

The following projects are examples of projects eligible for 2020:

- Continuation of the electrification of the last diesel-powered railway line in Ile-de-France, Paris-Troyes, already partially funded in 2018 as reported⁷
- Continuation of the solar panels plan in high schools
- Bicycle regional express road “RER Vélo” for innovative and ecological transports
- Support fund for health, health staff and medical research. Region Île-de-France subsidises health professionals for buying telemedicine equipment and hygienic equipment, in order to fight against medical deserts and support telemedicine.
- Resilience fund: to sustain SMEs during the pandemic crisis.
- Solidarity fund: emergency grants to mitigate the impact of the economic downturn.

Vigeo Eiris has a reasonable level of assurance on the Issuer’s capacity to use the 2020 issuance proceeds to fund projects with environmental and social benefits, in line with its initial commitments.

We consider that the Green and Social Sectors targeted by the Issuances are aligned with the following UN SDGs: Goal 1. No poverty, Goal 3. Good Health and Well-being, Goal 4. Quality Education, Goal 6. Water and Sanitation, Goal 7. Affordable and Clean energy, Goal 8. Decent work and economic growth, Goal 9. Industry, Innovation and Infrastructure, Goal 10. Reduced inequalities, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production, Goal 13. Climate Action, Goal 15. Life on Land.

⁶ Of note, the Region’s 2020 EMTN program is only dedicated to green and/or social expenditures. More information: <https://www.iledefrance.fr/region-funding>

⁷ https://www.iledefrance.fr/sites/default/files/2019-06/reporting_isr_2019_11.06.19_definitif_web.pdf



We have a reasonable level of assurance on the issuer’s capacity to use the Green and Sustainable bond proceeds for projects contributing to climate change mitigation, protection of natural resources, access to decent living conditions for the most vulnerable, access to sanitary actions in response to the Covid-19 crisis, access to social housing, and social and economic development of the Region, in line with twelve UN SDGs.

Process for Project Evaluation and Selection

The governance and process for the evaluation and selection of the Eligible Projects are formalized in the Framework. We consider that the process is reasonably structured, transparent and relevant.

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

- The selection of projects begins once the year of the bond issuance has ended, when the Region has full knowledge of the investment expenses for each project. The finance department, which is responsible for reporting, requests each department of the Region to select a number of investment projects:
 - o On the one hand, the departments must identify projects corresponding to the expenses made over the year, which fulfil the eligibility criteria of the Green and Sustainable bonds, and are exemplary. Each department of the Region has the internal expertise to select the most emblematic projects of their portfolio.
 - o The Region specifies that in certain cases, in particular for expenses linked to the response to the Covid-19 crisis, it may not be possible to cover all the eligibility criteria and report on the associated indicators. However, Région Île-de-France commits to making best efforts to report transparently on the impact of these expenses, with at least a qualitative description of the eligibility criteria that were not fulfilled, in the annual allocation reporting.
 - o On the other hand, internal auditing systems and the financial information system verify the amount of expenses for each project with the relevant department, and then the finance department determines the allocation of funds on the basis of proposed projects.

The selection process relies on explicit eligibility criteria, relevant to the environmental and social objectives defined for the Eligible categories.

We consider that the overall level of implementation of the Issuer’s commitments is good in terms of evaluation and selection process, application of eligibility criteria and allocation of proceeds from the Bond.

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 corporation'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 the specificities of 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 Director 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 Director of Sustainable Finance and/or the Director of Methods. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the company, then the Director of Methods, and finally Vigeo Eiris' Scientific Council.

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

Part I. ISSUER

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by Vigeo Eiris.

Level of the Issuer's ESG performance

The Issuer's ESG performance has been assessed by Vigeo Eiris on the basis of its:

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

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 based 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 it is 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).

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.

Part II. ISSUANCE

In the initial opinion, our analysis included:

Project framework

Use of proceeds:

The use of proceeds requirements are defined to ensure that the funds raised are used to finance and/or 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. The sustainability purpose of the bond's associated Eligible Projects has been precisely defined, with regard to Ile-de-France Region'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.

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.

We have updated our initial opinion on the Green and Sustainable Expenditures identified by the Issuer and that would be financed by the 2020 issuance.

The review concerns the transparency and implementation of the Issuer's commitments regarding the correspondence of these Green and Sustainable Expenditures 2020 with the seven eligible Sectors and the evaluation and selection process, as well as the application of the eligibility criteria initially defined by Région Île-de-France in the updated "Green and Sustainable Framework", last provided to Vigeo Eiris on June 8th, 2020.

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, Brussels, Casablanca, Hong Kong, Milan, New York, Rabat and Santiago de Chile.

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

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