

# SECOND PARTY OPINION<sup>1</sup>

## ON THE SUSTAINABILITY OF ENN ENERGY'S GREEN FINANCE FRAMEWORK

May 2020

### SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (thereafter "Second Party Opinion" or "SPO") on the sustainability credentials and management of the Green Finance Framework (the "Framework") created by ENN Energy Holdings Limited ("ENN Energy" or the "Issuer") to govern its Green Financing Transactions ("GFT")<sup>2</sup>.

Our opinion is established according to Vigeo Eiris' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the latest version of the International Capital Market Association's (ICMA) Green Bond Principles ("GBP") voluntary guidelines (edited in June 2018), and of the Green Loan Principles ("GLP") voluntary guidelines developed by the EMEA Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association (last revised in May 2020).

Our opinion is built on the review of the following components (Phase 1):

- 1) **Issuer:** we assessed the Issuer's management of potential stakeholder-related ESG controversies and its involvement in controversial activities<sup>3</sup>.
- 2) **Issuance:** we assessed the Eligible Green Projects, including the coherence between the Framework and the Issuer's environmental commitments, the Framework's potential contribution to sustainability and its alignment with the four core components of the GBP 2018 & GLP 2020.

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 Green Financing Transactions issuances, held *via* a telecommunications system.

We carried out our due diligence assessment from May 4<sup>th</sup> to May 29<sup>th</sup>, 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

**Vigeo Eiris is of the opinion that the Green Finance Framework of ENN Energy is aligned with the four core components of the GBP 2018 & GLP 2020 voluntary guidelines.**

**We express a reasonable assurance<sup>4</sup> (our highest level of assurance) on the Issuer's commitments and on the contribution of the Framework to sustainability.**

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

- ▶ As of May 2020, the review conducted by Vigeo Eiris did not reveal any controversy against the ENN Energy over the last 4 years.
- ▶ As of May 2020, ENN Energy is involved in one of the 17 controversial activities screened under Vigeo Eiris methodology, namely: minor involvement in Fossil Fuel industry (less than 10% of total turnover). We did not find any involvement of ENN Energy in the other 16 controversial activities screened under Vigeo Eiris methodology.

#### 2) Issuance (see Part II):

The Issuer has described the main characteristics of the Green Financing Transactions within a formalized Green Finance Framework which covers the four core components of the GBP 2018 & GLP 2020 (the last updated version was provided to Vigeo Eiris on May 22<sup>nd</sup>, 2020). The Issuer has committed to making the

<sup>1</sup> 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](http://www.icmagroup.org)).

<sup>2</sup> "Green Financing Transactions" include bonds, loans and other debt or financing structures, subject to the discretion of the Issuer. The name "Green Bond" or "Green Loan" will be decided by the Issuer: it does not imply any opinion from Vigeo Eiris.

<sup>3</sup> 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.

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

- Level of Evaluation: Advanced, Good, Limited, Weak.
- Level of Assurance: Reasonable, Moderate, Weak.

Framework publicly accessible on ENN Energy's website<sup>5</sup> on the issuance date of the Green Financing Transactions, in line with good market practices.

We are of the opinion that the Green Finance Framework is coherent with ENN Energy's main sector sustainability issues, with its publicly disclosed strategic sustainable development priorities, and that it contributes to achieving its sustainable development commitments.

#### Use of Proceeds

- ▶ The net proceeds of the Green Financing Transactions will exclusively finance and/or refinance, in part or in full, projects falling under five Eligible Green Project Categories ("Eligible Categories"), namely: Renewable Energy, Pollution Prevention and Control, Energy Efficiency, Sustainable Water Management and Green Buildings. We consider the Eligible Categories are relevant and clearly defined.
- ▶ The Eligible Green Projects are intended to contribute to three main environmental objectives (climate change mitigation, pollution prevention and control, and energy efficiency improvement). These objectives are considered clear and relevant.
- ▶ The Eligible Green Projects are considered to provide clear environmental benefits. The Issuer has committed to assess and, where feasible, quantify the expected environmental benefits of the Green Financing Transactions. One recommendation consists in defining ex-ante quantified environmental targets, for each Eligible Category.
- ▶ The Eligible Green Projects are likely to contribute to six of the United Nations' Sustainable Development Goals ("SDGs"), namely: Goal 6. Water and Sanitation, Goal 7. Affordable and Clean Energy, Goal 9. Industry, Innovation and Infrastructure, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production, and Goal 13. Climate Action
- ▶ The Issuer has transparently communicated on the estimated share of refinancing for its first GFT, which will be 80-100%. The Issuer has committed that, in case of refinancing, a look-back period of maximum 36 months from the GFT's issuance date will be applied, in line with market practices.

#### Process for Projects Evaluation and Selection

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

#### Management of Proceeds

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

#### Reporting

- ▶ The reporting process and commitments appear to be good, covering both the funds' allocation and the environmental benefits of the Eligible Green Projects.
- ▶ The selected reporting indicators are relevant and clear.

ENN Energy has committed that its Green Financing Transactions will be supported by external reviews:

- A pre-issuance consultant review: the hereby Second Party Opinion delivered by Vigeo Eiris, covering all the features of the Framework, based on pre-issuance assessment and commitments, to be made publicly available on its website<sup>5</sup>, on the issuance date.

One recommendation is to commit to an external verification performed by a third-party auditor, covering the allocation of funds, the compliance in all material aspects, of (i) the actual allocation of proceeds to the Eligible Green Projects and their alignment with the eligibility criteria and (ii) the impact reporting, annually and until the full allocation of the proceeds from Green Financing Transactions and in case of any material change.

<sup>5</sup> [www.ennenergy.com](http://www.ennenergy.com)

*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 2018 & GLP 2020 voluntary guidelines. ENN Energy 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.*

May 29<sup>th</sup>, 2020

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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 ENN Energy. 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 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. 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 Green Financing Transactions, 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.

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## DETAILED RESULTS

### Part I. ISSUER

ENN Energy Holdings Limited (ENN Energy) is an investment holding company engaged in the gas supply business. The Company is engaged in the sale of piped gas, gas connection, the construction and operation of vehicle gas refuelling stations, the wholesale of gas, the sale of other energy and the sale of gas appliances and materials in domestic and overseas markets.

#### Level of ESG performance

As requested by ENN Energy, this document does not contain information on its ESG performance at company level.

#### Management of stakeholder-related ESG controversies

As of May 2020, the review conducted by Vigeo Eiris did not reveal any controversy against the ENN Energy over the last 4 years.

#### Involvement in controversial activities

As of May 2020, ENN Energy displays involvement in one of the 17 controversial activities screened under Vigeo Eiris methodology, namely:

- Fossil Fuels industry (*minor involvement*): ENN Energy has an estimated turnover from fossil fuels which is less than 10% of total turnover. The Company is a gas distributor in China. Its principal business is the investment in, and the operation and management of gas pipeline infrastructure, vehicle/ship gas refuelling stations, the sales and distribution of piped gas, LNG and other energy. The Company also conducts wholesale of gas business and provides other services in connection with the gas supply, including the import and export of natural and liquefied gas. As these activities are classified primarily as 'downstream' and therefore not covered by Vigeo Eiris methodology, we conservatively estimate that no more than 10% of Company revenues are derived from the gas transmission and trading.

The Issuer appear to be not involved in any of the other 16 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, 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.

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

## Part II. ISSUANCE

### Coherence between the Issuance and the Issuer

Context note: The Electric & Gas Utilities sector has a major role to play in the fight against climate change and the protection of the environment. Companies are expected to increase their efforts to improve energy efficiency throughout their operation. In addition, the complexity and specificities of impacts related to their activities call for specific measures to ensure the appropriate management of social and environmental-related risks, namely biodiversity protection, environmental management systems, health and safety and the promotion of responsible relations with the communities where they operate.

Safeguarding the safety and health of employees and contractors remains a key risk factor in the sector. Implementing and maintaining sound systems to guarantee social dialogue is important to the Electric & Gas Utilities sector, that traditionally benefits from strong well-established industrial relations. Moreover, gas transmission companies are expected to promote the local social and economic development through the evaluation and monitoring of the social impacts of operations on communities, the support to social programmes and the reinforcement of the local content of operations.

Social and human rights factors in the supply chain are of major importance. Companies with end-use customers also need to maintain transparent and responsible customer relations to improve customer satisfaction and their attractiveness in the market.

According to the International Energy Agency, as of 2017, 70% of electricity produced in China was generated by fossil fuels (coal, oil, natural gas) with more than 67% generated from coal – the more CO<sub>2</sub>-intensive fossil fuel.<sup>6</sup> Therefore, companies in the sector have a major role in the decarbonisation of the electricity mix by adding low-carbon capacities.

### **We are of the opinion that the Framework is coherent with ENN Energy strategic sustainability priorities and sector issues and contribute to achieving the Issuer's sustainability commitments.**

ENN Energy appears to acknowledge its role in providing solutions to support society's transition to low carbon and sustainable economy. It has developed sustainable finance products and services to minimize its impact on climate change and society and offers accessible products to all its customers.

In this regard, six member companies of the Group have obtained the environmental and occupational health and safety management system certification, namely: ISO 14001 to ensure the same management of their activities as well as occupational health and safety certification OHSAS18001/ISO45001.

The Group has committed to reducing its Greenhouse Gas Emissions and pollution from its activities. The Group has stated that in 2018, the total energy consumption of the Group decreased by more than 32%. Moreover, methane leakage prevention procedures have been set up resulting in 2018 by a decrease in direct emissions of methane decreased by 34 tonnes compares with 2017 levels. To help with this transition to a low-carbon society, ENN Energy has acquired in 2018 ENN Ubiquitous Energy Network (EUEN), a leading integrated energy service provider in China.

Also, the company has committed to conducting Environmental Impacts Assessment (EIA) covering biodiversity protection and the conservation of soil and water for all of its projects.

To further include CSR in its strategy ENN Energy has linked executives' variable remuneration with the CSR performance of the company and has created an ESG Committee and ESG Working Group responsible of the ESG indicator system and ESG performance reporting process.

By creating a Framework to issue green financing instruments intended to finance or refinance projects related to Renewable Energy, Pollution Prevention and Control, Energy Efficiency, Sustainable Water Management and Green Buildings, the Issuer coherently aligns with its sustainability strategy and commitments and addresses the main issues of the sector in terms of sustainable development.

<sup>6</sup> <https://www.iea.org/countries/china>

### Use of proceeds

The net proceeds of the Green Financing Transactions will exclusively finance and/or refinance, in part or in full, projects falling under five Eligible Green Project Categories (“Eligible Categories”), namely: Renewable Energy, Pollution Prevention and Control, Energy Efficiency, Sustainable Water Management and Green Buildings. We consider the Eligible Categories are relevant and clearly defined.

The Eligible Green Projects are intended to contribute to three main environmental objectives (climate change mitigation, pollution prevention and control, and energy efficiency improvement). These objectives are considered clear and relevant.

The Eligible Green Projects are considered to provide clear environmental benefits. The Issuer has committed to assess and, where feasible, quantify the expected environmental benefits of the Green Financing Transactions. One recommendation consists in defining *ex-ante* quantified environmental targets, for each Eligible Category.

The Issuer has transparently communicated on the estimated share of refinancing for its first GFT, which will be 80-100%. The Issuer has committed that, in case of refinancing a look-back period of maximum 36 months from the GFT’s issuance date will be applied, in line with market practices.

### Assessment of eligible expenditures

The Framework defines eligible expenditures as follows:

- *An amount equal to the net proceeds of the GFTs will be used exclusively to fund and/or refinance capex or opex, including R&D, construction, acquisition, operation, etc., on new or existing eligible green projects that meet one or more of the following categories of eligibility.*

We are of the opinion that the description of eligible expenditures is clear and relevant.

ENN Energy Framework			Vigeo Eiris Analysis
Eligible Categories	Eligibility Criteria and Description	Environmental objectives and benefits	
<b>Renewable Energy</b>	<p>Projects aimed at developing the production and use of renewable energy, such as:</p> <ul style="list-style-type: none"> <li>- Generation of energy from renewable sources, including wind, solar, seawater heat pump, biomass, hydro and geothermal</li> <li>- Transmission and distribution projects having the sole purpose of connecting renewable energy production</li> <li>- Development of boilers powered by biomass which only utilize agricultural and forestry waste</li> </ul>	<p><b>Climate change mitigation</b></p> <p><i>GHG emission reduction/avoidance</i></p>	<p>The <u>Eligible Category</u> is considered clearly defined.</p> <p>One recommendation is to set a maximum GHG emission threshold for bio, geothermal and biomass waste projects (e.g. 100gCO<sub>2</sub>e/kWh<sup>7</sup> or similar thresholds by referring to relevant international/national standards or climate policies, if available).</p> <p>The <u>environmental objective</u> is considered clearly defined and relevant.</p> <p>The expected <u>environmental benefit</u> is considered clear, relevant and measurable.</p> <p>One recommendation consists in assessing and quantifying the expected environmental benefits <i>ex-ante</i>.</p>
<b>Pollution Prevention and Control</b>	<p>Natural gas leakage detection systems, including installing Cloud Intelligent Safety Management System</p>	<p><b>Pollution Prevention and Control</b></p> <p><i>Methane leakage control</i></p>	<p>The <u>Eligible Category</u> is considered clearly defined.</p> <p>The <u>environmental objective</u> is considered to be clearly defined and relevant.</p> <p>The expected <u>environmental benefit</u> is considered clear, relevant and measurable.</p> <p>One recommendation consists in assessing and quantifying the expected environmental benefits <i>ex-ante</i>.</p>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>- Reuse of industrial residual heat and steam for downstream production, limited to construction and operation of pipelines to collect waste heat and associated infrastructure for distributing heating</li> </ul>	<p><b>Energy efficiency improvement</b></p> <p><i>Energy savings</i></p> <p><i>GHG emissions</i></p>	<p>The <u>Eligible Category</u> is considered clearly defined. The Framework has excluded “coal based energy generation and distribution infrastructure for such energy” from Eligible Green Projects.</p> <p>One recommendation is:</p>

<sup>7</sup> A GHG emission threshold defined for power generation in the TEG final report on the EU Taxonomy

ENN Energy Framework			Vigeo Eiris Analysis
Eligible Categories	Eligibility Criteria and Description	Environmental objectives and benefits	
	<ul style="list-style-type: none"> <li>- Installation of residual gas recovery devices on LNG transportation trucks and LNG refuelling stations</li> <li>- Tailor-made integrated energy solutions to help improve energy efficiency through ENN Ubiquitous Energy Network<sup>8</sup></li> </ul>	<p>avoidance</p>	<ul style="list-style-type: none"> <li>- For district heating projects, to set a maximum direct GHG emission threshold (e.g. 262gCO<sub>2</sub>e/kWh<sup>9</sup> or similar thresholds by referring to relevant international/national standards or climate policies, if available); while, for other electricity/cogeneration projects, to set a maximum GHG emission threshold of 100gCO<sub>2</sub>e/kWh or similar thresholds by referring to relevant international/national standards or climate policies, if available.</li> </ul> <p>The <u>environmental objective</u> is considered to be clearly defined and relevant.</p> <p>The expected <u>environmental benefits</u> are considered to clear, relevant and measurable.</p> <p>One recommendation consists in assessing and quantifying the expected environmental benefits <i>ex-ante</i>.</p>
<b>Sustainable Water Management</b>	<ul style="list-style-type: none"> <li>- Installation of drainage canals in construction sites to discharge wastewater into urban sewage pipelines if emission standards are met</li> <li>- Installation of mud pools to avoid infiltrating into groundwater or rivers</li> <li>- Use of reclaimed water and rainwater in production process, adoption of water-saving appliances to reduce water consumption</li> </ul>	<p><b>Pollution Prevention and Control</b></p> <p>Water pollution prevention</p> <p>Water savings</p>	<p>The <u>Eligible Category</u> is considered clearly defined.</p> <p>The <u>environmental objective</u> is considered to be clearly defined and relevant.</p> <p>The expected <u>environmental benefits</u> are considered clear, relevant and measurable.</p> <ul style="list-style-type: none"> <li>- The first two criteria are related to activities to ensure compliance with national/local environmental regulations on wastewater discharge and pollution prevention such as the Water Pollution Prevention and Control Law of the PRC (latest amendments in 2017) and the Integrated wastewater discharge standard (GB 8978-1996).</li> </ul>

<sup>8</sup> ENN Ubiquitous Energy Network provides customized integrated energy solutions. ENN Ubiquitous Energy Network has proprietary technologies including i) load forecasting, which analyzes the electricity and energy usage pattern to predict users' future energy demand; ii) quantitative screening, which compares and selects technology in terms of economics, energy saving, and emission reduction based on locally available resources; iii) integration of energy facility and network, which allow each energy end-user to complement each other's load, share energy facilities and establish energy interconnection within the region.

<sup>9</sup> A GHG emission threshold defined for "District Heating/Cooling Distribution" activities in the TEG final report on the EU Taxonomy

ENN Energy Framework			Vigeo Eiris Analysis
Eligible Categories	Eligibility Criteria and Description	Environmental objectives and benefits	
			<p>- For the third criteria, the water reuse in the production process will involve water pumps which consume electricity. The Issuer has estimated that the electricity consumption of the pumps used is 0.032kWh per ton of water.</p> <p>One recommendation consists in assessing and quantifying the expected environmental benefits <i>ex-ante</i>.</p>
<b>Green Buildings</b>	<p>- <i>Renovation of buildings (including industrial premises), certified in accordance with any one of the following selected certification systems:</i></p> <ul style="list-style-type: none"> <li>o <i>Chinese Green Building Evaluation Label (GBL) – 2 star or above</i></li> <li>o <i>U.S. Leadership in Energy and Environmental Design (LEED) – Gold or above</i></li> </ul> <p><i>leading to an energy use reduction of at least 15%</i></p> <p>- <i>On-site renewable energy installations, i.e. solar PV, which may be instead included in Renewable Energy depending on the scale of the projects</i></p>	<p><b>Energy efficiency improvement</b></p> <p><i>Energy savings</i></p> <p><i>GHG emissions reduction</i></p>	<p>The <u>Eligible Category</u> is considered clearly defined.</p> <p>The <u>environmental objective</u> is considered to be clearly defined and relevant.</p> <p>The expected <u>environmental benefits</u> are considered clear, relevant and measurable. The Issuer has assessed and quantified the expected environmental benefits <i>ex-ante</i>, i.e. at least 15% of energy use reduction.</p>

In addition, the Eligible Categories are likely to contribute to six of the United Nations' Sustainable Development Goals ("SDGs"), namely: Goal 6. Water and Sanitation, Goal 7. Affordable and Clean Energy, Goal 9. Industry, Innovation and Infrastructure, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production, and Goal 13. Climate Action.



Eligible Categories	UN SDGs identified	UN SDGs targets
Renewable Energy	SDG 7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
	SDG 13. Climate Action	<i>Take urgent action to combat climate change and its impacts</i>
Pollution Prevention and Control	SDG 12. Responsible Consumption and production	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
	SDG 13. Climate Action	<i>Take urgent action to combat climate change and its impacts</i>
Energy Efficiency	SDG 9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Sustainable Water Management	SDG 6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally  6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
	SDG 12. Responsible Consumption and production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources  12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
Green Buildings	SDG 11: Sustainable cities and communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

### **Process for Project Evaluation and Selection**

**The governance and process for the evaluation and selection of the Eligible Green Projects are formalised 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 are based on relevant internal expertise, with well-defined roles and responsibilities:

- For the purpose of the Framework, an ESG Working Group (“EWG”) has been created. The EWG is composed of the senior members and representatives from the below departments:
  - Chief Financial Officer
  - Company Secretary
  - Head of Investor Relations department
  - Quality, Health, Safety and Environment (“QHSE”) department
  - Human Resources department
- The EWG is responsible for:
  - Selecting the Eligible Green Projects to be included in the GFTs in accordance with the selection criteria established in the Framework.
  - The shortlisted projects will be presented to the ESG Committee (representatives from senior management including the CEO) of ENN Energy for approval.
  - Ensuring that the selected Eligible Green Project to comply not only with the section of Use of Proceeds but also the environmental guidelines which are applicable for ENN Energy.
  - Monitoring the Eligible Green Projects during the lifetime of the GFTs. The EWG will be responsible for replacing an Eligible Green Project if it no longer meets the eligibility criteria or in case of divestment.
  - The ESG Committee will exclude any projects involved in an ESG controversy.
  - Managing any future updates of the Framework.

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

- The EWG will meet at least every 12 months to discuss and select Eligible Green Projects.
- The traceability of the decisions appears to be ensured throughout the process, through meeting minutes and presentations from the meetings of the EWG.

One recommendation would be to have external reviews, in order to verify the compliance of the selected Eligible Green Projects, with the eligibility criteria and process defined in the Framework.

**The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives defined for the Eligible Green Projects.**

- The selection is based on the Eligible Categories defined in the Use of Proceeds section of the Framework.
- The Issuer is committed to exclude any Project under the following sectors and activities:
  - Sectors which are prohibited by laws and regulation in China, such as child labour, gambling industry, adult entertainment and corporations which are in association with illegal activities
  - Hydro power with installed capacity >20MW
  - Nuclear fuels
  - Coal based energy generation and distribution infrastructure for such energy
  - Activities which are in relation to hazardous chemicals and radioactive substance

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

The Issuer has formalised group-level policies such as "Sustainable Development Policy", "Health, Safety and Environment (HSE) Policy" and "Biodiversity Protection Policy", which apply to all operations financed/refinanced by Green Financing instruments under the Framework. The environmental and safety policies cover major environmental and social risks associated with the Eligible Green Projects.

The Issuer has also established an ESG Committee at the group level in 2019, which comprises of Chief Executive Officer, an Executive Director, a Non-Executive Director and an Independent Non-Executive Director, to support the Board in formulating ESG strategy of the Group and supervise the implementation of ESG initiatives. Meanwhile, the ESG Working Group is responsible for ensuring proper management and implementation of all aspects of ESG.

Environmental risks (applicable to all the Eligible Categories unless otherwise specified)

- **Environmental management and eco-design** (good): At the group level, ENN Energy encourages all member companies to actively establish an enterprise environment and occupational health and safety management system in accordance with ISO standards. As of now, 6 member companies, which may be involved in Eligible Green Projects, have obtained ISO14001 certificates. ENN also reports that it requires all the projects to conduct environmental impact assessment and GHG emission assessment during the life cycle from planning, construction to operation. The Quality, Health, Safety and Environment ("QHSE") department will be responsible for supervising the implementation of environmental protection measures. After the construction completion, the projects are subject to environmental impact assessment inspection by local environmental authorities and can only start operation after receiving approval from the authority. In addition, the projects will be subject to the regulator's inspection during their operation. ENN also reports that after the completion of construction, it will conduct a consultation with local residents and set plans for proper decommissioning and land recovery as per relevant environmental regulations; and wastes would be recycled, reused or sent to professional entities for treatment.
  
- **Energy use** (good): At the group level, ENN Energy commits to strictly comply with the "Energy Conservation Law of the People's Republic of China" and to promote energy conservation across its operations. Related to the Eligible Categories, some of the reported measures include: to use residual gas recovery devices and tank evaporation gas re-liquefaction devices to recover and utilise the natural gas released during loading, unloading and storage; to promote digital office and operation; to improve energy efficiency utilising geothermal heat pumps to generate cooling and heating for office buildings; and to use energy-saving lighting equipment, etc. ENN Energy reports annually its group-level energy consumption by type, including coal, diesel, gasoline, natural gas and electricity purchased from the grid, which includes energy consumption by the Eligible Green Projects under this Framework.
  
- **Reducing GHG emissions** (limited): At the group level, ENN Energy reports that the main sources of its GHG emissions originate from the energy consumption at operations, office buildings, transportation vehicles, heating facilities and staff canteens. Related to its gas business and also the second and third Eligible Categories, ENN Energy commits to strict manage the methane leakage in engineering construction and gas transportation process. ENN Energy reports that it has retrofitted its natural gas refuelling stations by installing residual gas recovery devices, which managed to reduce the risk of methane leakage and venting to a much lower level. It commits to expand the use of advanced energy-saving and gas-saving technologies, so as to further minimise greenhouse gas emissions and promote recycling of resources within the Group. In its annual ESG report, ENN Energy reports its group-level GHG emissions (both Scope I and Scope II); and for Scope I, it covers CO<sub>2</sub>, methane and N<sub>2</sub>O. However, Eligible Green Projects related to "reuse of industrial residual heat and steam for downstream production" could potentially lead to lock-in in GHG-intensive activities (e.g. fossil fuel-based energy generation) whilst reducing their relative carbon emission intensity. Recommendations include: 1) for seawater heat pump projects, to monitor and mitigate potential direct emission from refrigerant leakage; 2) for transmission and distribution projects, in case of using gas-insulated grid/electricity equipment, to monitor and mitigate SF<sub>6</sub> leakages from the equipment; and 3) for Eligible Category "Energy efficiency", to exclude all fossil-fuel related assets/projects, or set a maximum GHG emission threshold for gas-fired power generation/cogeneration projects (e.g. 100gCO<sub>2</sub>e/kWh or similar thresholds by referring to relevant international/national standards or climate policies, if available).
  
- **Prevention and mitigation of environmental pollution and environmental/industrial accident** (good): At the group level, ENN Energy commits to strictly manage and reduce the pollution of waste gas,

wastewater and noise arising from the production process by complying with its own “*Civilised Construction Management Measures*”.

- Air pollution: For construction activities, ENN Energy requires that earthmoving vehicles are covered with tarpaulins and construction sites are semi-enclosed.
- Water pollution: Related to the fourth Eligible Category, ENN Energy reports that it sets up drainage canals in construction sites to connect wastewater and discharge it into urban sewage pipelines.
- Soil pollution: Related to the second and third Eligible Categories, ENN Energy reports that it replaces old tubes with carbon steel pipe and stainless steel pipe, to avoid leakage and soil pollution.
- Waste: ENN Energy reports that it adopts the following measures to reduce hazardous wastes: to set up hazardous wastes management policies, manage daily accounts and formulate emergency plans; to strengthen the management of production facilities, optimise production process so as to reduce the production of hazardous wastes; to classify and store hazardous wastes and prevent storage place from fire; to forbid the use of toxic and hazardous wastes produced during construction as earthwork backfilling; to authorise qualified hazardous waste treatment companies to conduct innocuous treatment. For non-hazardous wastes, ENN Energy commits to conduct unified and centralised treatment of office waste, waste pipelines, non-hazardous components produced in the manufacturing and maintenance process of gas meters.
- Inconveniences (such as noise and dust): It reports to implement a strict noise pollution prevention plan during construction, including the reasonable arrangement and appropriate operation time of machinery. It also reports adopting dust-proof measures including covering, sprinkling water, spraying dust covering agent or other dustproof measures for the material piles generated during the construction process, to reduce the impact caused by fugitive dust.
- **Environmental impacts linked with waste by-products and transportation of waste** (good) – this is mainly related to the third criteria/sub-category “*Development of boilers powered by biomass*” under the Eligible Category “Renewable Energy”. ENN’s company-level requirements on waste management, as described above, apply to all the Eligible Green Projects. ENN commits to comply with relevant requirements set out in national environmental regulations and standards. For biomass boiler projects, the Framework has specified that biomass used is limited to agricultural and forestry wastes, which, as per ENN, will be transported in bulks by trucks and hence improve overall efficiency and avoid pollution during the transportation. The main by-products from the biomass boilers are flue gas (containing SO<sub>x</sub> and NO<sub>x</sub>, etc.) and bottom ash. ENN reports that boilers will be equipped with low NO<sub>x</sub> combustion and flue gas NO<sub>x</sub> removal technologies. A technical guide on biomass fast pyrolysis technology from one of ENN’s subsidiaries is provided. Test results of flue gas at one plant show both SO<sub>x</sub> and NO<sub>x</sub> emissions in the flue gas much lower than the thresholds set by local environmental standards. For the bottom ash, ENN reports that it will be mainly used as fertilisers or fertiliser add-ins. Biochar would be used as a soil amendment, which can produce the benefits of carbon sequestration and soil health benefits.
- **Protection of biodiversity** (good): At the group level, ENN Energy has established its Biodiversity Protection Policy. It commits to ensuring that all companies in which the Group has controlling interest undertake biodiversity assessments were relevant to their business operations, and require them to implement relevant measures to foster ecosystem restoration. Some of the reported measures include: to carry out supplier assessments to encourage effective maintenance of ecosystem integrity and stability; to strictly control the selection of project site which is required to be outside the red line of ecological protection zone; to clearly define the target and scope of clearance and excavation before construction work. No vegetation outside the area should be destroyed; to restore the surface and soil in a timely manner after the completion of construction work to reduce soil erosion.
- **Integration of environmental factors in the supply chain** (good): At the group level, ENN Energy has established its Supplier Corporate Social Responsibility Code of Conduct, which covers environmental aspects such as environmental protection. ENN commits to prioritising the use of suppliers sharing the same standards and promoting sustainability initiatives. Some of the detailed requirements are: during production and service delivery, suppliers shall commit to minimizing waste disposal and pollution, avoiding the use of hazardous materials and complying with national laws and regulations and local policies in sewage and waste treatment.

Social Risks (applicable to all the Eligible Categories unless otherwise specified)

- **Health and safety of workers** (good): At the group level, ENN Energy has established its Health, Safety and Environment (HSE) Policy with the aim to realize the “3 Zero” goals (zero responsible accident, zero injury and fatality, zero environmental loss) in its operations. It commits to strictly comply with relevant occupational health and safety and environmental regulations and standards. It delegates the top management of each level of the Company as the respective person-in-charge for HSE matters. It reports that it formulates annual HSE plans matching directions with our business strategies, and conducts continuous risk identification to mitigate safety hazards. Related to the second Eligible Category, ENN Energy reports that it conducts regular pipe inspections and maintenance works in accordance with national standards, to minimise the possibility of gas leakage and system malfunctioning.
  
- **Safety for other stakeholders** (good): ENN Energy’s Supplier Health, Safety and Environment (HSE) Policy also covers some measures related to its suppliers. For instance, it requires all of its operations to verify relevant professional qualifications of suppliers’ key personnel and file on the Company’s digital platform. The suppliers’ key personnel are required to receive training and assessments in relation to the safety and construction standards of the Company (including training and assessment on corporate standards and safety education), and training records shall be well-documented. ENN Energy will certify suppliers’ on-site safety and environmental equipment/facilities, implementation of safety and isolation measures and provision of safety construction conditions. It also reports that it encourages and assists suppliers to identify and eliminate hazards and risks across the production process.
  
- **Fundamental labour and human rights** (good): At the group level, ENN Energy has established its Talent Development and Employment Policy, which specify its policies and commitments on non-discrimination, diversity and respect to labour rights. It requires all of its operations to treat all employees equally for employment decision (e.g. recruitment, remuneration, promotion, etc.) regardless of gender, ethnicity, race, nationality, marital status, age and religious belief. It prohibits discriminatory, invasive and unlawful behaviours in relation to gender, ethnicity and race, etc. Moreover, ENN Energy commits to comply with the relevant laws and corporate rules and regulations, such as “Labour Law of the People’s Republic of China”, “Labour Contract Law of the People’s Republic of China”, “Provision of the Prohibition of Using Child Labour”, in combination with the “ENN Group Employee Code of Conduct”. The Group strictly prohibits using child labour, forced labour and other illegal labours. It commits to respect employees’ rights of participating in any labour unions, seeking of representatives and participating in employee congresses and reports that it signs and enforces collective bargaining agreements with employees.
  
- **Integration of social factors in the supply chain** (good): At the group level, ENN Energy has established its Supplier Corporate Social Responsibility Code of Conduct, which covers social aspects including legal compliance, business ethics, employee relationship, health and safety, human rights and anti-corruption. ENN commits to prioritising the use of suppliers sharing the same standards and promoting sustainability initiatives. Some of the detailed requirements include: suppliers shall ensure the highest ethical standards in operations; suppliers shall not hire any employee under the minimum age of employment stipulated in local laws and regulations; suppliers shall ensure to have health and safety management systems and standards for reducing occupational injuries and diseases and enhancing the overall health of employees. ENN Energy reports that it has formulated internal requirements such as the Circular on the Adjustment of Authority of Qualification Audit for Subcontractor, to provide details and standard requirements for supplier screening. ENN Energy also requires that suppliers shall keep as much relevant documentation as possible and provide us or our designated auditors as evidence of compliance of the Code of Conduct and relevant laws and regulations upon our request. It may conduct visitation to suppliers’ workplaces and facilities to verify compliance if necessary.

One recommendation is to carry out an ESG risk assessment prior to the selection of an Eligible Green Project.

### **Management of proceeds**

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

The allocation and management of the proceeds are clearly defined:

- The proceeds of each GFT will be deposited in the general funding accounts and be earmarked to Eligible Green Projects.
- The net proceeds from each GFT will be managed by ENN Energy's finance team.
- ENN Energy is committed to allocating all the proceeds from the GFT to Eligible Green Projects on a best effort basis within 24 months of the GFT issuance.
- Any balance of issuance proceeds which are not yet allocated to Eligible Green Projects will be held in accordance with ENN Energy's liquidity guidelines for short term time deposits or investments or used to repay existing borrowings within the group that meet the Exclusionary Criteria set out under section 2.1 of the Framework.
- During the life of the GFT issued, if the designated Projects cease to fulfil the Eligibility Criteria, the net proceeds will be re-allocated to replacement Projects that comply with the Eligibility Criteria, as soon as reasonably practicable, with the aim to re-allocate within the following 24 months.

Traceability and verification of both the tracking method and allocation of the proceeds are ensured throughout the process:

- ENN Energy will maintain a register to keep track of the use of proceeds for each GFT.
- The register will contain the following information: (1) Type of Funding Transaction; and (2) Allocation of Use of Proceeds.
- The ESG Working Group is responsible for verifying that the net proceeds match the Green Portfolio until the GFTs' maturity date.
- The proceeds will be appropriately managed and tracked by ENN Energy's accounting and finance team using an internal accounting system. The accounting process will track and monitor the net proceeds allocation and management. The audit department will be responsible for supervising the for any abnormality is found, it will be reported to the board of directors in time.

One recommendation is to have an independent third party to verify the Eligible Green Projects' outstanding amount once a year and until full allocation.

## **Monitoring & Reporting**

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

The processes for monitoring, data collection, consolidation, validation and reporting are clearly defined by the Issuer in internal documentation. One recommendation is to formalise these processes in the Framework.

The processes are structured and based on relevant internal expertise and involve relevant departments of the Issuer:

- The company's accounting and finance department will be used to monitor the financial aspects of the projects.
- The relevant business units will be responsible for monitoring the environmental benefits data associated with the Eligible Green Projects.
- The EWG will be responsible for collecting and consolidating the data on allocation of proceeds and environmental benefits and creating reporting for the Issuer's Sustainability Report, Annual Report or website.

The Issuer has committed to report information on the allocation of the net proceeds and environmental and social (where relevant) impacts of the Eligible Green Projects of its GFTs, annually and until the full allocation of the proceeds, in its Sustainability Report, Annual Report or website.

The Issuer has committed to transparently communicate at issuance or Eligible Category level, on:

- Allocation of proceeds: the selected reporting indicators are clear and relevant.

<b>Reporting indicators</b>
<ul style="list-style-type: none"> <li>- Key information includes issuer/borrower entity, transaction date, number of transactions, principal amount of proceeds, maturity date and interest or coupon (and in the case of bonds, the ISIN number).</li> <li>- The aggregate amount allocated to various Eligible Green Projects</li> <li>- The amount and / or percentage of new and existing projects (share of financing and refinancing)</li> <li>- The remaining balance of funds which have not yet been allocated and type of temporary investment</li> <li>- Examples of Eligible Projects (subject to confidentiality disclosures)</li> </ul>

One recommendation is to also report on the % of co-financing and on the benefits on a pro rata basis of the proceeds' contribution to the total cost of the project, in case that other source(s) of financing is used in finance/refinance an Eligible Green Project.

- Environmental benefits: the selected reporting indicators are clear and relevant.

<b>Eligible Categories</b>	<b>Impact indicators</b>
Renewable Energy	<ul style="list-style-type: none"> <li>- Energy produced by renewable resource (by MWh pa, or other units)</li> <li>- Renewable energy installed capacity (by MW, or other units)</li> <li>- GHG emissions avoided / reduced (by tCO<sub>2</sub>e pa)</li> <li>- Annual energy savings (by % pa, or ton of standard coal pa, or other units)</li> </ul>
Pollution Prevention and Control	<ul style="list-style-type: none"> <li>- Decrease in energy consumption (by % pa, or ton of standard coal pa, or other units)<sup>10</sup></li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>- Decrease in annual emissions of GHG (by % pa, or tCO<sub>2</sub>e pa, or other units)<sup>10</sup></li> </ul>
Sustainable Water Management	<ul style="list-style-type: none"> <li>- Annual amount of water recycled (litres pa)</li> <li>- Annual amount of water reused (litres pa)</li> </ul>

<sup>10</sup> Compared to traditional coal based energy solutions

Eligible Categories	Impact indicators
Green Buildings	<ul style="list-style-type: none"> <li>- Energy efficiency gains in MWh or % vs. baseline<sup>10</sup></li> <li>- Estimated annual avoided GHG emissions (tCO<sub>2</sub>eq)</li> <li>- Annual energy savings (MWh pa)</li> </ul>

The Issuer has committed to disclose the key methodologies and assumptions used to calculate the benefits of Eligible Projects in its Sustainability Report, Annual Report or website<sup>11</sup>.

The Issuer has also committed to report on material ESG controversies (if any) associated with the eligible projects of its GFTs.

One recommendation is to have an independent external reviewer to verify the reported information on the tracking method and allocation of the proceeds, and on the environmental benefits measured.

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<sup>11</sup> [www.ennenergy.com](http://www.ennenergy.com)

## 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 has 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 is 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: ENN Energy's level of ESG performance (i.e. commitments, processes, results of ENN Energy related ESG issues) has not been assessed through the complete process of rating and benchmark developed by Vigeo Eiris. For this review, we only assessed the ENN Energy's management of potential stakeholder related ESG controversies, and its involvement in controversial activities.*

#### 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, an 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 the 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 the 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 the 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 the 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

17 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 specific nature of the controversial products or services provided by the company.

## Part II. ISSUANCE

*The Framework has been evaluated by Vigeo Eiris according to the GBP 2018 & GLP 2020 and on our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.*

### Use of proceeds

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

### Process for evaluation and selection

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

### Management of proceeds

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

### Reporting

Monitoring process and commitments, reporting commitments, reporting indicators and methodologies are defined by the Issuer to enable transparent reporting on the proceeds allocation and tracking, on the sustainable benefits (output and impact indicators) and on the responsible management of the Eligible Projects financed. Vigeo Eiris has evaluated the reporting based on its transparency and relevance.

## 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. A 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. A 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 a 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](http://www.vigeo-eiris.com)

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