

SECOND PARTY OPINION¹ ON THE SUSTAINABILITY OF COMPAGNIE DE PHALSBOURG'S GREEN EURO PRIVATE PLACEMENT²

November 2018

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion on the sustainability credentials and management of the Green Euro Private Placement (the "Euro PP") proposed to be issued by Compagnie de Phalsbourg (the "Issuer") to finance and refinance the development and construction of commercial, offices and housing buildings, and urban development projects (the "Eligible Green Projects"). Our opinion is established according to our Environmental, Social and Governance ("ESG") exclusive assessment methodology and the International Capital Market Association's Green Bond Principles ("GBP").

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

- 1) **Issuer**³: we have assessed the Issuer's involvement in potential ESG controversies and controversial activities.
- 2) **Issuance**: we have assessed the consistency of the Euro PP's use of proceeds, its contribution to sustainability and its alignment with the Green Bond Principles.

Our sources of information are multichannel, combining data from our general rating database, information provided by the Issuer, press content providers and stakeholders, and complemented by interviews with the Issuer's employees held at its headquarters in Paris, France. We carried out our due diligence assessment from October 29 to November 22, 2018.

We could access all the appropriate documents and people we solicited. We consider that the provided information enables us to establish our opinion with a reasonable level of assurance on its completeness, precision and reliability.

VIGEO EIRIS' OPINION

Vigeo Eiris is of the opinion that the Euro PP considered by Compagnie de Phalsbourg is aligned with the voluntary guidelines of the Green Bond Principles.

We express a reasonable assurance⁴ (our highest level of assurance) on the Issuer's commitments and the Euro PP's contribution to sustainability, which is likely to contribute to three United Nations' Sustainable Development Goals (the "SDGs"), namely Goal 7. Affordable and Clean Energy, UN SDG 11. Sustainable Cities and Communities and Goal 13. Climate Action.

1) Issuer:

- ▶ As of today, no recent controversy nor allegation was identified for Compagnie de Phalsbourg related to ESG factors.
- ▶ Compagnie de Phalsbourg is not involved in any of the 15 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Tar sands and oil shale, Gambling, Genetic engineering, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

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

² The "Euro PP" is to be considered as the potential forthcoming euro private placement, which issuance is subject to market conditions.

³ The assessment of the Issuer's ESG performance did not fall within the scope of the due diligence conducted for this Second Party Opinion.

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

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

Level of Assurance: Reasonable, Moderate, Weak.

2) Issuance:

Compagnie de Phalsbourg has described the main characteristics of the Euro PP as per the Green Bond Principles through a Green Financing Framework (the “Framework”) and internal documentation. The Issuer has committed to make the Framework accessible to investors, in line with market practices.

We are of the opinion that the contemplated Euro PP is coherent with Compagnie de Phalsbourg’s main sustainability priorities and sector issues, and contributes to achieving the company’s sustainability commitments.

- ▶ The net proceeds of Compagnie de Phalsbourg first Euro PP will be used to finance and refinance the development and construction of the selected Portfolio of Eligible Green Projects, composed of new or existing green buildings, which are intended to contribute to climate change mitigation objective. This environmental objective is relevant, measurable and precise. Compagnie de Phalsbourg will assess and quantify the expected environmental benefits.
- ▶ The governance and the process for the evaluation and selection of Eligible Green Projects appear to be documented and relevant. The process relies on explicit eligibility criteria (selection).

The identification and management of environmental and social risks associated with most of the selected Eligible Green Projects is considered to be good overall. Of note, three Eligible Green Projects selected in the Portfolio have not been reviewed by Vigeo Eiris.

- ▶ The rules for the management of proceeds are clearly defined.

We have recommended to hold unallocated proceeds in temporary investment instruments that are cash, or cash equivalent instruments, and that do not include projects with potential negative impacts on sustainability.

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

We have recommended disclosing the calculation methodologies and assumptions that will be used for reporting on the Eligible Green Projects’ impacts.

Compagnie de Phalsbourg’s Green Euro PP issuance is supported by external reviews:

- A pre-issuance consultant review: a Second Party Opinion delivered by Vigeo Eiris on the sustainability credentials of the Euro PP, based on pre-issuance commitments and covering all the features of the Euro PP, and made available to the Investors through Debtdomain.
- An annual verification: performed by a third-party auditor, covering the actual allocation of proceeds to Eligible Green Projects and their alignment with the eligibility criteria, annually and until the Euro PP’s full allocation, and made available to the holders of the Green Euro PP.

This Opinion is valid as of the date of issuance and limited to Compagnie de Phalsbourg’s first Green Euro PP.

Paris, November 22, 2018.



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DETAILED RESULTS

Part I. ISSUER

Compagnie de Phalsbourg is a real estate company created in 1989 by Philippe Journo, director and sole shareholder. Initially dedicated to commercial buildings, the company decided four years ago to expand its activity to housing, offices and hotels buildings.

The company operates in all segments of the real estate market by combining four business lines: promoter-developer, constructor, investor and property manager. To date, the company's assets are valued 1.55 billion euros and it has 560 thousand square meters in operation and 1 million square meters in development.

Involvement in stakeholder-related ESG controversies

As of today, no recent controversy nor allegation was identified for Compagnie de Phalsbourg related to ESG factors.

Involvement in controversial activities

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

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

Part II. ISSUANCE

Coherence of the issuance

We are of the opinion that the contemplated Euro PP is coherent with Compagnie de Phalsbourg's main sustainability priorities and sector issues, and contributes to achieving the company's sustainability commitments.

The real estate sector has extensive direct and indirect impacts on the environment as buildings construction and operation involves significant energy, water and raw material use, waste generation and atmospheric emissions. More precisely, the European Commission estimates that buildings are responsible for approximately 40% of energy consumption and 36% of CO₂ emissions in Europe.

Building owners, designers and builders face the challenge to meet demands for new and renovated facilities with minimized impact on the environment, including eco-design approach throughout the entire lifecycle of the buildings. Moreover, real estate companies, can integrate environmental, social and governance considerations in their investment and asset management decisions in order to generate other economic and social benefits, such as local economic development and social inclusion.

Compagnie de Phalsbourg's conviction is "to create unique and sustainable places that enhance the natural and human environment of cities and local communities". The company declares recognizing the environmental impact of buildings and its reportedly committed to "achieve sustainable development, going beyond the norms of the sector to meet very high environmental requirements, and is fully committed to reducing its environmental footprint while seeking to be at the forefront of the sustainable development of real estate in France".

By issuing a Euro PP to finance green buildings, Compagnie de Phalsbourg coherently aligns with its sustainability strategy and commitments, and addresses main issues of the sector in terms of environmental and social responsibility.

Use of proceeds

The net proceeds of the Euro PP will be used to finance and refinance the development and construction of the selected Portfolio of Eligible Green Projects, composed of new or existing green buildings, which are intended to contribute to climate change mitigation objective.

This environmental objective is relevant, measurable and precise.

Compagnie de Phalsbourg will assess and quantify the expected environmental benefits.

The net proceeds of the Euro PP will be used to finance and refinance, in whole or in part, new or existing Eligible Green Projects, which are clearly defined in the Framework as green buildings; including commercial, hotel or mixed purpose buildings, located in France and Europe.

- "Existing Projects" refer to projects which delivery date was maximum 24 months before the Euro PP settlement date, in line with best market practices.
- The environmental objectives have been identified by the Issuer, although these are not formalized in the Framework.

For its first Green Euro PP, Compagnie de Phalsbourg has identified in its Framework a list of selected Eligible Green Projects (the "Portfolio"), which characteristics are clearly defined and composed, in whole or in part, of thirteen green buildings projects, with relevant definitions.

- The certifications and/or labels used to define and select the Eligible Green Projects rely on nationally and internationally recognized sector standards. All the Eligible Green Projects in the Portfolio aim to achieve relevant threshold requirements that demonstrate a good environmental performance.

The Portfolio is intended to contribute to climate change mitigation objective. Quantitative targets for the reduction of energy performance are defined at project level.

- The Eligible Green Projects in the Portfolio are expected to obtain an energy performance varying from 10% to 40% less than the national consumption reference, namely France's Thermal Regulation 2012 (RT 2012 = 50 kWh/m²/year), in line with good market practices.

The Issuer will assess and quantify the environmental benefits of the Portfolio on climate change mitigation.

The Issuer has not disclosed an estimate of the refinancing share at the settlement. The Issuer is committed to report on the share of financing vs. refinancing of the Euro PP.

In addition, the Portfolio is likely to contribute to three United Nations' Sustainable Development Goals, namely Goal 7. Affordable and Clean Energy, UN SDG 11. Sustainable Cities and Communities and Goal 13. Climate Action.



UN SDG 7. Affordable and Clean Energy

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

- 7.3 Double the global rate of improvement in energy efficiency

By using the Euro PP proceeds to finance and refinance the Eligible Green Projects, Compagnie de Phalsbourg is contributing to the UN SDG 7, with regards to the above-mentioned target.



UN SDG 11. Sustainable Cities and Communities

UN SDG 11 consists in making cities and human settlements inclusive, safe, resilient and sustainable. Real estate companies can contribute to this goal by supporting the integrated and sustainable urban development like low-carbon buildings, resilient infrastructure; and help build capacity of building owners to deliver solutions to improve energy efficiency in buildings and enable sound building management practices using good data about a building's performance.

By using the Euro PP proceeds to finance and refinance the Eligible Green Projects, Compagnie de Phalsbourg is contributing to the UN SDG 11, with regards to the above-mentioned contributions.



UN SDG 13. Climate action

UN SDG 13 consists in taking urgent action to combat climate change and its impacts. Real estate companies can contribute to this goal by improving the energy efficiency; and reducing the carbon footprint of its operations.

By using the Euro PP proceeds to finance and refinance the Eligible Green Projects, Compagnie de Phalsbourg is contributing to the UN SDG 13, with regards to the above-mentioned contributions.

Process for evaluation and selection

The governance and the process for the evaluation and selection of the Eligible Green Projects appear to be documented and relevant.

The process for evaluation and selection of the Eligible Green Projects is clearly defined and partially formalized in the Framework and internal documentation.

The evaluation and selection of Eligible Green Projects is reasonably structured:

- The evaluation and selection of Eligible Green Projects is based on relevant internal expertise with well-defined roles and responsibilities:
 - The Finance and the Institutional Relations Departments conducted a pre-selection of potential Eligible Green Projects to be included to the Portfolio.
 - Compagnie de Phalsbourg has created a Green Committee, chaired by the company's CEO and comprising senior representatives of the Finance Department, the Project Manager, the development and construction teams involved in the Eligible Green Projects, as well as any other teams deemed necessary. The Committee is responsible for reviewing, selecting and validating the Eligible Green Projects to be financed and refinanced by the Euro PP, based on projects specifications alignment with the eligibility criteria formalized in the Framework; monitoring the Portfolio and validating the annual reporting to investors.
- The verification and traceability is ensured throughout the process:
 - The Green Committee will meet every year to verify the continued compliance of Eligible Green Projects with the eligibility criteria and meeting minutes of each meeting will be created to ensure decision traceability.
 - An independent external reviewer will verify the compliance with the eligibility criteria.

The process relies on explicit eligibility criteria.

- Buildings that have obtained environmental certification for construction at least HQE "very good", LEED "Gold", BREEAM "very good" or equivalent.
- Buildings which energy performance is at least 10% less than France's Thermal Regulation (RT 2012).

The identification and management of environmental and social risks associated with most of the selected Eligible Green Projects is considered to be good overall. We have recommended explicitly disclosing these processes in a Framework.

Of note, three Eligible Green Projects selected in the Portfolio have not been reviewed by Vigeo Eiris, namely Ecotone Antibes, Open Sky Torrejon de Ardoz and The Village.

The identification and management of the environmental risks associated with ten of the thirteen selected Eligible Green Projects are considered to be good overall.

- All the Eligible Green Projects in the Portfolio are contractually committed to obtain a national or internationally recognized green building certification, demonstrating the implementation of an environmental management system for each project. Specific energy performance is targeted for each building, supported by the installation of energy and water efficient technologies. More than half of the Eligible Green Projects in the Portfolio will include non-conventional water use systems and the installation of renewable energy (solar panels on the roofs of the buildings, urban wind turbines, geothermal energy, etc). In addition, energy and water consumption monitoring systems will be installed in all the Eligible Green Projects.
- Appropriate measures for the protection of biodiversity will be deployed in all the Eligible Green Projects. In particular, seven out of the ten Eligible Green Projects in the Portfolio are aiming to obtain third party biodiversity performance certifications (Label Biodiversity).
- Waste management at both construction and operation phases is ensured by the formalization of Waste Management Plans at the construction sites, and the installation of waste sorting bins and recycling facilities during operation in all the Eligible Green Projects in the Portfolio.
- In order to promote environmental responsibility among the occupants, the Issuer will put in place "Green Leases" or similar mechanisms for all the Eligible Green Projects in the Portfolio, which include specific commitments to reduce the environmental footprint of tenants.
- We have recommended establishing measures for integrating environmental factors in the purchasing and contracting process, and considering climate change adaptation and the end-of life of the buildings in their design, at least for the Portfolio financed and refinanced by the Euro PP.

The identification and management of the social risks associated with ten of the thirteen selected Eligible Green Projects are considered to be good overall.

- The quality of service provided to occupants is ensured by establishing complaints systems in all the Eligible Green Projects, including physical and/or technological instruments depending on the nature of the project. Four of the selected Eligible Green Projects (3 commercial centres and 1 mixed project) are aiming to obtain a quality certification. We have recommended committing to minimum explicit standards in terms of quality of service for projects in the Portfolio.
- The selected Eligible Green Projects characteristics are in line with the latest local regulations in terms of comfort, health and security of occupants, including measures to ensure good ventilation, air quality, acoustic comfort, thermal isolation and surveillance systems.
- The health and safety, and working conditions of all workers is appropriately managed by asking contractors and services providers to contractually adhere to Compagnie de Phalsbourg's Safety Charter Applied to Construction Sites and by establishing explicit health and safety commitments in the charters of the construction sites of each of the Eligible Green Projects, including penalties in case of non-compliance.
- All the Eligible Green Projects are located near public services, and accessible to people with disabilities and public transport. In particular, all Eligible Green Projects are located at a maximum of 300 meters from public transport.
- The Portfolio includes several Eligible Green Projects explicitly aiming to revitalise urban areas, create jobs and/or include social housing, which demonstrates a clear interest to contribute to the local social and economic development. In addition, all except for one Eligible Project have established appropriate procedures to ensure the consultation of local stakeholders.

- The relationships with contractors, external service providers and partners is regulated by Compagnie de Phalsbourg's Code of Ethics, to which all employees are contractually committed to adhere to and that explicitly prohibits corruption, anti-competitive practices and conflict of interest practices.
- We have recommended integrating social factors in the purchasing and contracting process at least for the Portfolio financed and refinanced by the Euro PP.

The audit and control systems are good. The monitoring and control of the compliance with environmental and social commitments is conducted by the Project Manager of each Eligible Green Project, who presents quarter reports to the Issuer during the life of the project.

Management of proceeds

The rules for the management of proceeds are clearly defined. We have recommended to hold unallocated proceeds in temporary investment instruments that are cash, or cash equivalent instruments, and that do not include projects with potential negative impacts on sustainability.

The allocation and tracking of proceeds processes are clearly defined.

- The net proceeds of the Euro PP will be credited to Treasury liquidity portfolio of Compagnie de Phalsbourg and managed by the Finance Department using an internal accounting system. The Issuer will link the proceeds allocation to progress reports issued by the project managers, thus ensuring the appropriate tracking of funds.
- The Issuer has committed to periodically adjust the balance of net proceeds to match the allocation to Eligible Green Projects and to identify a portfolio of Eligible Green Projects equal or greater than the net proceeds raised.
- We have recommended limiting the allocation period to maximum 24 months after the Euro PP settlement date, in line with good market practices.
- In case of divestment, sale or if a project fails to comply with the eligibility criteria, Compagnie de Phalsbourg has committed to replace this project with another project respecting the eligibility criteria within six months. The eventual changes in the Euro PP will be made available to investors in the Euro PP's Investor Letter.

The management of unallocated proceeds is defined. We have recommended to hold unallocated proceeds in temporary investment instruments that are cash, or cash equivalent instruments, and that do not include projects with potential negative impacts on sustainability.

- In accordance with the treasury policy of Compagnie de Phalsbourg, the balance of unallocated proceeds shall be reinvested in other existing real estate assets until allocation to Eligible Green Projects of the Portfolio.

Traceability and verification of the allocation of proceeds are ensured throughout the process.

- An independent party will annually verify the allocation of funds and the remaining balance of unallocated proceeds until full allocation, in line with market practices.

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.

We have recommended disclosing the calculation methodologies and assumptions that will be used for reporting on the Eligible Green Projects' benefits.

The process for monitoring, data collection, consolidation and reporting is clearly defined by Compagnie de Phalsbourg in internal documentation. The process is based on relevant internal expertise:

- The Project Manager of each Eligible Project will be responsible for monitoring of the projects.
- The Finance Department will be responsible for the creation of the Investor Letter.

The Issuer has committed to annually provide to investors a dedicated Euro PP's report (the "Investor Letter"), until complete allocation and later in the case of any material change. The data included in the Investor Letters will be verified by an external auditor, in line with best market practices.

The Issuer has committed to transparently communicate to investors at Portfolio level on:

- The allocation of proceeds:

Reporting indicators	
-	List of Eligible Green Projects, including a brief description and the standard/certification obtained
	Percentage of proceeds allocated according to the Eligible Project progress.
	Financing vs refinancing share
	Unallocated proceeds and the type of temporary placements used

- Environmental benefits:

Environmental Indicators	
Results	
-	Energy consumption (kWh/year)
	Energy performance (kWh/m ² /year)
Impacts	
-	Avoided GHG emissions (t eq. CO ₂ /m ²)

The selected reporting indicators related to the funds allocation and the environmental benefits are relevant to the Eligible Green Projects.

- We have recommended reporting as well on the energy savings regarding a reference building and the carbon intensity of the Eligible Green Projects.
- We have recommended disclosing the calculation methodologies and assumptions that will be used for reporting on the Eligible Green Projects' impacts.

In addition, we have suggested adding some other ESG indicators, in order to report on the responsible management of the selected Eligible Green Projects (water consumption and savings, recycled material used, building accessibility, local job created, etc).

METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris writes an opinion on the Issuer's Corporate Social Responsibility as an organization, and on the objectives, management and reporting of the projects to be (re)financed by this transaction.

Vigeo Eiris' methodology for the definition and assessment of the corporate's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. The evaluation framework has been customized regarding material issues, based on our generic Real Estate sector ESG assessment framework and specific issues considering the issuer's business activity.

Vigeo Eiris reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources will be considered as long as they are public, documented and traceable. Vigeo Eiris has reviewed documents and websites of the Issuer (including but not limited to Compagnie de Phalsbourg's Green Financing Framework, documents describing the characteristics of each of the projects financed by the Euro PP, Compagnie de Phalsbourg Code of Ethics, etc.) and interviewed members from several departments of the Issuer.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Direction of Methods. A right of complaint and recourse is guaranteed to all companies under our review, including three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council. All collaborators are signatories of Vigeo Eiris' Code of Ethics.

Part I. ISSUER

NB: The issuer's performance, i.e., commitments, processes, results of the issuer, related to ESG issues has not been assessed through a complete process of rating and benchmark developed by Vigeo Eiris.

Stakeholder-related ESG controversies and involvement in controversial activities

A controversy is an information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation on unproven facts.

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

- **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).
- **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).

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.

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

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

Part II. ISSUANCE

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

Use of proceeds

The use of proceeds guidelines is defined to ensure that the funds raised are used to finance and/or refinance Eligible Green Projects and are traceable within the issuing organization. The projects endorsed shall comply with the eligibility criteria in order to be considered as Eligible Green Projects. Vigeo Eiris evaluates the relevance, visibility, and measurability of the associated environmental objectives. The sustainability purpose of the Euro PP related to the Eligible Green Projects has been precisely defined, regarding the Issuer's commitments, and assessed based on the described and estimated benefits of the Eligible Green Projects. The contribution of the Eligible Green Projects to sustainable development is evaluated based on the United Nations Sustainable Development Goals.

Process for evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris regarding its transparency, governance and efficiency. The relevance and exhaustiveness of eligibility criteria and associated supporting elements integrated in the Euro PP issuance, and the coherence of the process are analysed based on material issues considered in Vigeo Eiris' methodology.

Management of proceeds

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

Reporting

Reporting indicators, processes and methodologies are defined by the Issuer to enable annual reporting on fund allocation, environmental benefits (output and impact indicators) and on the responsible management of the Eligible Green Projects financed by the Euro PP proceeds, collected at project level and potentially aggregated at Euro PP level. Vigeo Eiris has evaluated the relevance of the reporting framework according to three principles: transparency, exhaustiveness and effectiveness.

- Scale of assessment for processes and commitments: Weak, Limited, Good, Advanced.
- Scale of level of assurance on Issuer's capacity: Reasonable, Moderate, Weak.

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 Bonds Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 7 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan, Spain and Mexico.

For more information: www.vigeo-eiris.com

Disclaimer

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

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Euro Private Placement, based on the information which has been made available to Vigeo Eiris. Vigeo Eiris has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the effectiveness, the excellence or the irreversibility of the Eligible Green Projects to be financed by the Euro Private Placement. 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 Euro Private Placement, 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.

The opinion delivered on stakeholder-related ESG controversies is not a conclusion on the creditworthiness of the Issuer or its financial obligations. Vigeo Eiris does not express an opinion as a score when controversial activities, products and services are not prohibited by international standards or treaties.

Restriction on distribution and use of this opinion: the opinion is provided by Vigeo Eiris to the Issuer and can only be used by the Issuer. The distribution and publication is at the discretion of the Issuer, submitted to Vigeo Eiris approval.