

SECOND PARTY OPINION

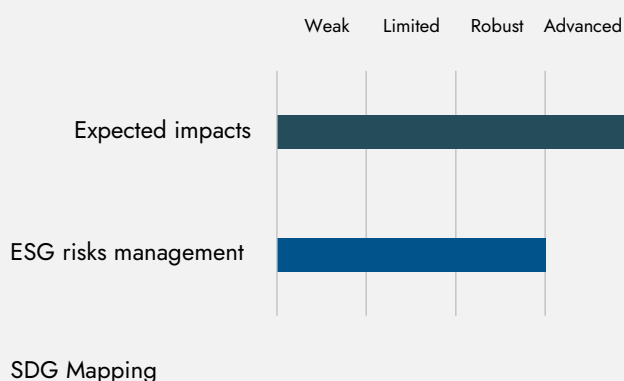
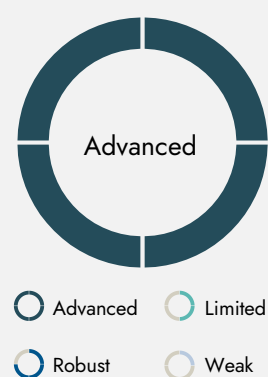
on the sustainability of Arab Petroleum Investments Corporation's (APICORP)
Green Bond Framework

V.E considers that Arab Petroleum Investments Corporation's (APICORP) Green Bond Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP")



Framework

Contribution to Sustainability:



Characteristics of the Framework

Green Project Categories	⇒ Renewable Energy ⇒ Pollution Prevention and Control ⇒ Green Buildings
Project locations	Middle East and North Africa (MENA) region
Existence of framework	Yes
Share of refinancing	50% maximum
Look back period	3 years ¹ maximum

Issuer

Controversial Activities

The Issuer appears to be involved in one of the 17 controversial activities screened under our methodology:

- | | | | |
|---|---|---|--|
| <input type="checkbox"/> Alcohol | <input checked="" type="checkbox"/> Fossil fuels industry | <input type="checkbox"/> High interest rate lending | <input type="checkbox"/> Pornography |
| <input type="checkbox"/> Animal welfare | <input type="checkbox"/> Coal | <input type="checkbox"/> Human embryonic stem cells | <input type="checkbox"/> Reproductive medicine |
| <input type="checkbox"/> Cannabis | <input type="checkbox"/> Gambling | <input type="checkbox"/> Military | <input type="checkbox"/> Tar sands and oil shale |
| <input type="checkbox"/> Chemicals of concern | <input type="checkbox"/> Genetic engineering | <input type="checkbox"/> Nuclear power | <input type="checkbox"/> Tobacco |
| <input type="checkbox"/> Civilian firearms | | | |

ESG Controversies

Number of controversies	None
Frequency	N/A
Severity	N/A
Responsiveness	N/A

Coherence

Coherent
Partially coherent
Not coherent

V.E considers that the contemplated Framework is coherent with APICORP's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

¹ The Issuer reported to V.E that within the entire project portfolio, only one project (Shuaa Energy 2) will exceed the 3-year look-back period.

Key findings

V.E considers that Arab Petroleum Investments Corporation's (APICORP) Green Bond Framework is aligned with the four core components of the GBP 2021.

Use of Proceeds - aligned with GBP

- The Eligible Categories are clearly defined, the Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.
- The Environmental Objectives are clearly defined, these are relevant for all the Eligible Categories and set in coherence with sustainability objectives defined in international standards.
- The Expected Environmental benefits are clear and precise, these are considered relevant, measurable, and will be quantified for all the eligible categories in the reporting.
- The Issuer has committed to limit the share of refinancing to 50%.
- The look-back period for refinanced eligible categories will be equal or less than 36 months from the issuance date, in line with market practices.

Evaluation and Selection - aligned with GBP

- The process for Project Evaluation and Selection has been clearly defined and detailed by the Issuer. It is considered well-structured in all the evaluation and selection steps (including the proposal, selection, validation, monitoring of eligible categories). The roles and responsibilities clear and include relevant internal expertise. The Process will be publicly disclosed in the Framework and in the herewith SPO.
- Eligibility criteria (selection and exclusion) for project selection have been clearly defined by the Issuer for a majority of eligible categories.
- The process applied to identify and manage potentially material E&S risks associated with the projects is publicly disclosed in the herewith SPO. The Process is considered robust: it combines monitoring, identification, and corrective measures for all projects (see detailed analysis on pages 17 - 20).

Management of Proceeds - aligned with GBP and best practices by V.E

- The Process for the Management and Allocation of Proceeds is clearly defined and is publicly available in the herewith SPO.
- The allocation period will be 24 months or less.
- Net proceeds of the Bonds will be placed in a segregated account.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- The Issuer has committed that as long as the Bond is outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible projects made during that period.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the bond framework within 12 months.

Reporting - aligned with GBP

- The Issuer has committed to report on the Use of Proceeds annually, until full allocation and on a timely basis in case of material developments. The report will be publicly available until Bond maturity.
- The reporting will cover relevant information related to the allocation of Bond proceeds and to the expected sustainable benefits of the categories.
- The reporting methodology and assumptions used to report on environmental benefits of the Eligible Categories will be publicly disclosed (where possible).
- An external auditor will verify the tracking and allocation of funds to Eligible Projects until full allocation and in case of material changes.
- Indicators used to report on environmental benefits of the Eligible Categories will be verified internally by the Issuer.

Contact

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SCOPE

V.E was commissioned to provide an independent Second Party Opinion (“SPO”) on the sustainability credentials and management of the Green Bonds² (the “Bonds”) to be issued by Arab Petroleum Investments Corporation (the “Issuer” or “APICORP”) in compliance with the Green Bond Framework (the “Framework”) created to govern their issuances.

Our opinion is established according to V.E’s Environmental, Social and Governance (“ESG”) exclusive assessment methodology and to the latest version of the voluntary guidelines of ICMA’s Green Bond Principles (“GBP”) - edited in June 2021.

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

- Framework: we assessed the Framework, including the coherence between the Framework and the Issuer’s environmental commitments, the Bond’s potential contribution to sustainability and its alignment with the four core components of the GBP 2021.
- Issuer³: we assessed the Issuer’s management of potential stakeholder-related ESG controversies and its involvement in controversial activities⁴.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from V.E’s exclusive ESG rating database, and (iii) information provided from the Issuer, through documents.

We carried out our due diligence assessment from August 18th to September 16th, 2021. We consider that we were provided access to all documents. To this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input type="checkbox"/>	Independent verification of impact reporting
<input checked="" type="checkbox"/>	Independent verification of funds allocation	<input type="checkbox"/>	Climate Bond Initiative Certification

² The “Green Bond” is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name “Green Bond” has been decided by the Issuer: it does not imply any opinion from V.E.

³ The Issuer is not part of our ESG performance rating universe.

⁴ The 17 controversial activities screened by V.E are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

V.E considers that the contemplated Framework is coherent with APICORP's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

According to the United Nations Environment Programme Finance Initiative⁵ (UNEP FI) the banking sector⁶ plays a crucial role in promoting sustainable development. The sector can lead the way to a more sustainable economy by lending to economic activities that yield the best return from society's point of view and by guiding customers and stakeholders to manage social and environmental challenges and opportunities. As the global economy's largest sector by market capitalisation, banks have great potential to support society's transition to a low carbon and sustainable economy. Their action is key in the promotion of effective solutions for the development of sustainable finance products and services, and the minimisation of the negative impact of their investments and activities on environment, people, and society.

Moreover, companies need financial partners that can develop strategic solutions to meet changing market demands. Companies that provide financial services have great potential to address sustainability challenges by integrating ESG factors into their financing operations. In this way, both existing problems can be approached, and customer behaviour can be influenced toward more environmentally friendly activities. Moreover, the MENA region looks to exceed over USD800 billion in investments into its energy sector over the next five years. The outlook forecasts MENA emerging as a major blue and green hydrogen-exporting region thanks to low-cost gas resources and strong renewable energy progress. Renewables claim a significant share of almost 40% the estimated USD 250 billion in power sector investments, committed gas investments projected to fall by USD9.5 billion to USD75 billion after completion of several megaprojects in 2020.

In addition, the OECD report "Financing Climate Futures"⁷ states that around USD 6.3 trillion of infrastructure investment is needed each year up to 2030 to meet development goals, increasing to USD 6.9 trillion a year to make this investment compatible with the goals of the Paris Agreement. The urgent need to address this gap presents a unique opportunity in the coming years to move the climate and development agendas forward and develop infrastructure systems that deliver better services while also achieving climate and development goals.

The Issuer appears to acknowledge its role in supporting projects with environmental benefits with a particular focus on decarbonizing activities.

APICORP aims to be a financial partner for the Arab energy industry, providing equity investment, debt financing, financial advisory and energy research services. The company is committed to helping the energy sector's transition to low or carbon-neutral technologies and solutions.

⁵ UNEP FI website <https://www.unepfi.org/banking/banking/>

⁶ The annual investment in low carbon energy and energy efficiency would need to increase by a factor of five by 2050. Therefore, the financial system needs a transformation to deliver the scale and quality of investment needed in order to increase financing from all sources (especially private sources such as long-term debt finance and the large pools of institutional investor capital), reduce the cost of capital, enable catalytic finance from development finance institutions (DFIs), and accelerate the greening of the financial system.

⁷ OECD report "Financing Climate Futures-rethinking infrastructure" <https://www.oecd.org/environment/cc/climate-futures/policy-highlights-financing-climate-futures.pdf>

To contribute to the overall reduction of GHG emissions, APICORP has undertaken to include the following sustainability actions in its internal and business decisions:

- Expand the share of green financing within its lending and investing portfolio.
- Understand the ESG impact of its remaining investments across the energy spectrum.
- Set engagement strategies with its stakeholders to spread awareness concerning their ESG exposure.
- Influence energy-related national policies.
- Advise on financing solutions for low-carbon strategies.

As a part of its 2020-2024⁸ strategy, APICORP's ESG Policy Framework outlines three main pillars:

- Responsible Banking and Investing
- Social Inclusion and Partnerships
- Financial Resilience and Governance

Within the frames of the first pillar "Responsible Banking and Investing" APICORP addresses a set of objectives and criteria that go along with its strategic sustainability priorities:

- Managing direct environmental impacts.
- Managing environmental and social risks in lending and investment activities as well as identifying opportunities.
- Promoting innovative sustainable financial products.
- Supporting clients' transition to a low-carbon economy.

According to APICORP's Middle East and North Africa (MENA) Energy Investment Outlook 2020-2024, committed power sector investments almost held steady in comparison with the 2019-2023 outlook, while planned investments decreased by USD 114 billion, a 33% drop. This decrease is partly attributed to many planned projects moving to committed status in 2020 such as Saudi Arabia's Renewable Energy Project Development Office's projects, worth around USD 6 billion. Other factors that contributed to the decrease in planned investments were the increased surplus capacities in Egypt and Saudi Arabia, as well as stalled projects in Iran, Iraq, Tunisia, and Lebanon as a direct impact of the pandemic. Planned investments in power transmission and distribution to strengthen the grid is expected to increase in several countries. This increase is mainly due to two factors, namely the increased penetration of renewables, and the recent push to increase regional interconnection (e.g. the 3GW interconnection between Saudi Arabia and Egypt, the 2GW Euro-Africa interconnector officially launched in October 2020 between Egypt and Europe via Cyprus, and a 164-kilometre electricity link between Jordan and Saudi Arabia). Furthermore, renewables currently own the largest share of planned and committed power projects in MENA for 2020-2024 in terms of value at around one-third (32%) of total investments, followed by oil- and gas-fired power plants at more than one-quarter (27%) of total investments, nuclear power (15%) and coal (3%).

⁸ APICORP MENA Power Investment Outlook 2020-2024 document https://www.apicorp.org/wp-content/uploads/2020/12/APICORP_MENA-Power-Investment-Outlook-2020-2024_EN_FINAL.pdf

FRAMEWORK

The Issuer has described the main characteristics of the Bonds within a formalised Green Bond Framework that covers the four core components of the GBP 2021 (the last updated version was provided to V.E on September 15th, 2021). The Issuer has committed to make this document publicly accessible on APICORP's website⁹, in line with good market practices.

Alignment with the Green Bond Principles

Use of Proceeds



The net proceeds of the Bonds will exclusively finance or refinance, in part or in full, projects falling under three Green Project Categories ("Eligible Categories"), as indicated in Table 1.

- The Eligible Categories are clearly defined, the Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.
- The Environmental Objectives are clearly defined, these are relevant for all the Eligible Categories and set in coherence with sustainability objectives defined in international standards.
- The Expected Environmental benefits are clear and precise, these are considered relevant, measurable, and will be quantified for all the eligible categories in the reporting.
- The Issuer has committed to limit the share of refinancing to 50%.
- The look-back period for refinanced eligible categories will be equal or less than 36 months from the issuance date, in line with market practices.

The Issuer has transparently communicated to V.E the list of Eligible Projects for the first issuance. The Issuer commits to not (re)finance desalination projects under this Framework.

BEST PRACTICES

- ⇒ The definition and eligibility criteria (selection and exclusion) are clear and in line with international standards for all categories.
- ⇒ Relevant environmental benefits are identified and measurable for all project categories.
- ⇒ The Issuer has committed to limit the share of refinancing to 50%.

⁹ APICORP website <https://www.apicorp.org/about-us>

Table 1. V.E' analysis of Eligible Categories, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework.

- Nature of expenditures: tangible or intangible assets, capital expenditures (including selected acquisitions¹⁰) and operational expenditures.
- Location of Eligible Projects: MENA region.





ELIGIBLE CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Renewable Energy	<p>Generation of energy from renewable sources; namely:</p> <ul style="list-style-type: none"> - Wind (onshore and offshore) - Solar PV (including rooftop solar projects) <p>This also includes the transmission, distribution, and electrical storage infrastructure (solar PVs and wind farms) related to renewable energy production as well as connection to local grid / direct users along with efficient district heating and cooling system.</p> <p>All energy system considered must have a carbon intensity below 100gCO₂e/kWh.</p>	<p><u>Climate Change Mitigation</u></p> <p>Increase renewable energy generation</p> <p>GHG emissions avoidance</p>	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.</p> <p>The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Environmental Benefits are clear and precise, relevant, measurable, and will be quantified for the eligible category in the reporting.</p>
Pollution Prevention and Control	<p>Recovery and enhancement of waste including:</p> <ul style="list-style-type: none"> - Waste collection - Waste treatment (processing and treatment to prevent and control pollution) - Waste recycling - Composting and anaerobic digestion of bio-waste with enhanced management of methane emissions <p>Landfill operations and any incineration of any unsorted waste assets or bio-waste are excluded.</p>	<p><u>Pollution prevention and control</u></p> <p>Increase waste collection, treatment, and recycling</p> <p>GHG emissions avoidance</p>	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.</p> <p>An area for improvement consists in providing further information on waste sourcing and final use of waste treated.</p> <p>The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Environmental Benefits are clear and precise, relevant, measurable, and will be quantified for the eligible category in the reporting.</p>

¹⁰ The Issuer reports that selected acquisitions refer to the acquisition of pure green players. APICORP recognizes pure green players only if 100% of their turnover are linked to the eligible projects disclosed in the Framework.

ELIGIBLE CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	V.E'S ANALYSIS
Green Buildings	<p>New construction, building developments, and/or renovation of existing buildings (including public service, commercial, residential, and recreational) which meet recognized environmental standards such as:</p> <ul style="list-style-type: none"> - LEED – Gold - BREEAM –Very good/Excellent - HQE – Very good/Excellent - CASBEE – A (very good)/S (excellent) or equivalent <p>Buildings belonging to the top 15% of the national or regional building stock in terms of primary energy demand.</p>	<p><u>Climate change mitigation</u></p> <p><u>Energy savings</u></p> <p>GHG emissions avoidance</p>	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.</p> <p>The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Environmental Benefit is clear and precise, relevant, measurable, and will be quantified for the eligible category in the reporting.</p>

SDG Contribution

The Eligible Categories are likely to contribute to four of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Renewable Energy		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Renewable Energy Green Buildings		7.3 By 2030, double the global rate of improvement in energy efficiency.
Pollution Prevention and Control		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.
Green Buildings		11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated, and sustainable human settlement planning and management in all countries.
Pollution Prevention and Control		12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse
Renewable Energy Green Buildings		The Eligible Categories are likely to contribute to SDG 13 which consists in adopting urgent measures to combat climate change and its effects.

Evaluation and Selection of Eligible Categories



- The process for Project Evaluation and Selection has been clearly defined and detailed by the Issuer. It is considered well-structured in all the evaluation and selection steps (including the proposal, selection, validation, monitoring of eligible categories). The roles and responsibilities are clear and include relevant internal expertise. The Process will be publicly disclosed in the Framework and in the herewith SPO.
- Eligibility criteria (selection and exclusion) for project selection have been clearly defined by the Issuer for a majority of eligible categories.
- The process applied to identify and manage potentially material E&S risks associated with the projects is publicly disclosed in the herewith SPO. The Process is considered robust: it combines monitoring, identification, and corrective measures for all projects (see detailed analysis on pages 17 - 20).

Process for Project Evaluation and Selection

- For the purpose of the Bonds and as a subset of the Credit and Investment Committee ("CIC"), a Green Bond Committee ("GBC") has been created. This Committee is composed of representatives of:
 - Chief Financial Officer (chairman)
 - Representatives from ESG Risk & Compliance (Committee Secretary)
 - Representatives from Treasury
 - Representatives from Energy Economics, and Sustainability (SEES)
 - Other subject matter experts of relevant business departments.
- The GBC is responsible for:
 - Assessing and selecting the Eligible Projects to be financed by the Green Bonds according to a pre-selection of potential Eligible Projects made by the CIC in accordance with the selection criteria established in this Framework and with the Issuer's internal Due Diligence toolkit.
 - Continuously evaluating and monitoring the Eligible Projects portfolio during the lifetime of the Bonds. The Committee will be responsible for replacing an Eligible Project if it no longer meets the eligibility criteria or if the Eligible Project has matured.
 - Reviewing and upgrading the Green Bond Framework as well as approving of publication of the Green Bond Framework related reports.
 - In case of controversies concerning any Eligible Project that is allocated to an outstanding Green Bond, the Committee will replace it with alternative one.

- The evaluation and selection process are as follows:
 - The CIC emphasizes potential green projects for the GBC.
 - The GBC reviews the eligibility of potential green projects against the criteria outlined in the Framework's Use of Proceeds section, using an internal ESG Due Diligence Toolkit (to which V.E had access) to qualify and quantify the ESG performance of companies, projects, acquisitions, and transactions.
 - Eligible Projects and clients are screened for allegations and controversies related to ESG, considering both the severity of the allegations and their impact.
 - The GBC consents to the inclusion of the green asset and documents its decision.
- The traceability and verification of the selection and evaluation of the projects is ensured throughout the process:
 - The GBC will review the portfolio of Eligible Projects for continuing eligibility against the Green Bond Framework on at least a semi-annually basis throughout the life of the Bond. The Issuer commits that, should any Eligible Project cease to fulfil the eligibility criteria, it will be replaced with alternative Eligible Project within 12 months.
 - Eligible Projects are screened for any ESG related allegations and controversies on at least a semi-annually basis throughout the life of the Bond. Additionally, the risk management department will conduct a monthly tracking of allegation and controversies of Eligible Projects. In case any Eligible Project faces a significant ESG controversy, the Issuer will review the allegations in terms of severity and impact and engage with the company to better understand the issue. The Issuer will analyse the company's response to the allegation and any corrective actions undertaken by the company. The Issuer commits that, should an Eligible Project be excluded from the portfolio, it will be replaced with an alternative Eligible Project within 12 months.
 - The GBC will document all its decisions in the form of meeting minutes, which will be made available to the CIC.

Eligibility Criteria

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

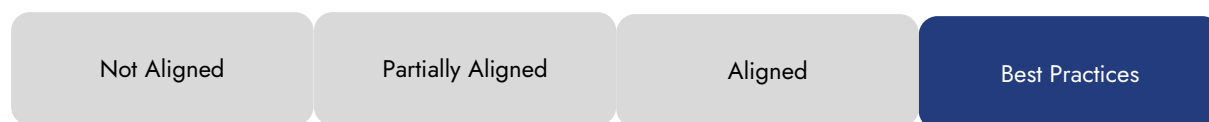
- The selection criteria are based on the definitions in the Eligible Categories defined Table 1 in the Use of Proceeds section.
- The Issuer has committed to the following exclusion criteria:
 - Nuclear power generation and distribution assets
 - Coal or gas fired power generation and distribution assets
 - Landfill operations and any incineration of any unsorted waste assets or bio-waste
 - Exploration and development of new oil and gas fields
 - Fossil fuel related activities, including underlying investments in research and development
 - Heat or power facilities with emissions intensity above 100gCO₂e/kWh
 - Road transportation with emissions intensity above 50gCO₂/km
 - Aviation, airline, and airport industries

The exclusion criteria are considered relevant as they cover the main topics in terms of environmental responsibility, in line with good market practices.

BEST PRACTICES

- ⇒ The Issuer reports that it will monitor compliance of selected projects with eligibility and exclusion criteria specified in the Framework throughout the life of the Bonds and has provided details on content/ frequency/duration and on procedure adopted in case of non-compliance.
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the projects throughout the life of the Bonds and has provided details on content/ frequency/duration in case a controversy is found on a project.

Management of Proceeds



- The Process for the Management and Allocation of Proceeds is clearly defined and detailed, and is publicly available in the herewith SPO.
- The allocation period will be 24 months or less.
- Net proceeds of the Bonds will be placed in a segregated account.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- The Issuer has committed that as long as the Bond is outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible projects made during that period.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the bond framework within 12 months.

Management Process

- The net proceeds of the Bonds will be credited to the Issuer's general treasury. Upon confirmation of Eligible Projects for the use of Green Bond proceeds, the Treasury and Capital Markets Department will allocate the Green Bond proceeds to the identified Eligible Projects in accordance with the financing schedule of the projects.
- The proceeds will be tracked through a master tracking sheet that will be maintained by the GBC chairman and earmarked as per the allocation process to eligible projects.
- The Issuer reports that it will verify monthly that the amounts allocated are updated.
- The unallocated funds will be temporarily invested in Green Bonds funds or otherwise managed in cash, cash equivalents and/or marketable securities, in accordance with APICORP's cash management policies and excluding investments covered by any of the Exclusions mentioned in the Framework.

BEST PRACTICES

- ⇒ The allocation period is 24 months or less.
- ⇒ The Issuer has committed not to invest temporarily unallocated net proceeds in GHG intensive activities or controversial activities.
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project/asset divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the bond framework within 12 months.

Monitoring & Reporting



- The Issuer has committed to report on the Use of Proceeds annually, until full allocation and on a timely basis in case of material developments. The report will be publicly available until Bond maturity.
- The reporting will cover relevant information related to the allocation of Bond proceeds and to the expected sustainable benefits of the categories.
- The reporting methodology and assumptions used to report on environmental benefits of the Eligible Categories will be publicly disclosed (where possible).
- An external auditor will verify the tracking and allocation of funds to Eligible Projects until full allocation and in case of material changes.
- Indicators used to report on environmental benefits of the Eligible Categories will be verified internally by the Issuer.

Indicators

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

- Allocation of proceeds: The indicators selected by the Issuer to report on the allocation of proceeds are clear, relevant and exhaustive:

REPORTING INDICATORS

- ⇒ The list of Eligible Projects (re)financed, including a brief description (subject to confidentiality disclosures)
- ⇒ The aggregated amount of (re)allocated net proceeds to Eligible Projects
- ⇒ The proportion of financing vs refinancing (%)
- ⇒ The percentage of co-financing (if any)
- ⇒ The balance of the unallocated proceeds and the projects they will be allocated to
- ⇒ Types of temporary unallocated funds placements and uses

- Environmental benefits: The indicators selected by the Issuer to report on the environmental benefits are clear and relevant:

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Renewable Energy	<ul style="list-style-type: none"> - Annual energy production in MWh - Installed capacity in MW 	<ul style="list-style-type: none"> - Estimated annual GHG emissions avoided in tonnes of CO₂eq
Pollution Prevention and Control	<ul style="list-style-type: none"> - % of waste accepted by its sites which is recycled and given a new life - kWh of renewable energy generated from waste from its operations 	<ul style="list-style-type: none"> - Estimated annual share of waste recycled in % - Estimated annual GHG emissions avoided per waste handled in tonnes of CO₂eq - Estimated annual amount of waste reduced and/or diverted from landfills in tonnes - Estimated annual amount of waste recycled and reused in tonnes
Green Buildings	<ul style="list-style-type: none"> - Building/landscape certification achieved (system & level) 	<ul style="list-style-type: none"> - Estimated annual GHG emissions avoided in tonnes of CO₂eq - Annual energy consumption reduction (kWh)

An area for improvement consists in committing to an external verification of the indicators used to report on the environmental benefits of the Eligible Categories.

BEST PRACTICES

- ⇒ The issuer report will be publicly available.
- ⇒ The reporting will cover relevant information related to the allocation of Bond proceeds and to the expected sustainable benefits of the projects/categories. The Issuer has also committed to report on material development related to the projects, including ESG controversies.
- ⇒ The issuer will report on allocation of proceeds and on environmental benefits at project level.
- ⇒ The Issuer's report will be publicly available.
- ⇒ The indicators selected by the Issuer are exhaustive with regards to allocation reporting.
- ⇒ The indicators selected by the Issuer are clear and relevant and cover all expected benefits associated with the Eligible Categories.
- ⇒ The reporting methodology and assumptions used to report on environmental benefits of the Eligible Categories will be disclosed publicly.

Contribution to sustainability

Expected Impacts

The potential positive Impact of the eligible projects on environmental objectives is considered to be advanced.

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
Renewable Energy	ADVANCED	For the world to meet internationally agreed climate goals, the pace of renewable energy investment must accelerate considerably. International Renewable Energy Agency (IRENA ¹¹) asserts that investments in renewables would have to almost triple by 2050. Only 2% out of 15% of the global total investments in developing and emerging economies were attracted by the MENA region. Financing renewable energies is one of the most important issues to reduce the energy and carbon footprint of all sectors. Investment in renewables remains key to achieving climate change mitigation goals. The eligible projects will contribute to addressing this challenge. No lock-in effect is expected for the technologies financed (solar PV, on and offshore wind energy) and they all adopt the EU Taxonomy Climate Delegated Act screening criteria, which are considered one of the most stringent to date.
Pollution Prevention and Control	ROBUST	According to the World Bank Group ¹² , the MENA region produces the least amount of waste of the world's waste. However, by 2050 the total waste generation in this region is expected to double. The financial sector is seen as one of the major contributors to face this challenge as financing projects related to Pollution Prevention and Control is one of the most important issues to prevent and reduce waste. The Eligible Category prevents/avoids the creation of new negative impact related to the claimed objective, meaning it only has positive impact in the long term. No lock-in effect is expected to be in place. Nevertheless, V.E lacks visibility on waste sourcing and final use of waste treated.
Green Buildings	ADVANCED	The building and construction industry accounts for 36% of final energy use and 39% of energy and process-related CO ₂ emissions in 2018 ¹³ when adding building construction industry emissions. Reduction of the energy and carbon footprint of buildings are therefore a key environmental issue for the construction and real estate sectors. Energy efficiency has a positive impact both locally, through reduced energy consumption, and globally, through reduced GHG emissions. The category includes new construction which has an absolute effect on energy consumption and on land use and therefore has a less positive impact compared with renovation. However, the eligibility criteria set for the projects falling under this category are overall in line with best market practices such as LEED, BREEAM and HQE certifications, as well as in line with the top 15% of the national or regional building stock in terms of primary energy demand.
OVERALL ASSESSMENT	ADVANCED	

¹¹ IRENA report [Global Landscape of Renewable Energy Finance 2020 \(irena.org\)](https://www.irena.org/Global-Landscape-of-Renewable-Energy-Finance-2020)

¹² World Bank Group report <https://openknowledge.worldbank.org/bitstream/handle/10986/30317/211329ov.pdf?sequence=11&isAllowed=y>

¹³ EIA website https://iea.blob.core.windows.net/assets/3da9daf9-ef75-4a37-b3da-a09224e299dc/2019_Global_Status_Report_for_Buildings_and_Construction.pdf

ESG Risks Identification and Management systems in place at project level

The identification and management of the environmental and social risks associated with the Eligible Projects are considered robust¹⁴.

	ELIGIBLE CATEGORIES		
	RENEWABLE ENERGY	POLLUTION PREVENTION AND CONTROL	GREEN BUILDINGS
ESG Due Diligence	X	X	X
Resource Efficiency and Pollution Prevention	X	X	X
Biodiversity Conservation and Sustainable Management of Living Natural Resources	X	X	X
Labour and Working Conditions	X	X	X
Community Health, Safety, and Security	X	X	X
Indigenous People	X	X	X
Cultural Heritage	X	X	X
Business Ethics	X	X	X
OVERALL ASSESSMENT	ROBUST	ROBUST	ROBUST

¹⁴ The "X" indicates the E&S risks that have been activated for each Eligible Category.

ESG Due Diligence Process

The Issuer reports using an internal ESG Evaluation Toolkit (to which V.E had access) to qualify and quantify the ESG performance of companies, projects, and transactions, thereby providing an ex-ante and ex-post tool to oversee and monitor ESG risks in both lending and investment activities while also supporting the engagement with clients and investee companies on key ESG topics, which are the following:

- Environmental risks:
 - Environmental management policy; Environmental monitoring; Environmental emergency response; Atmospheric emissions; Energy use; Water management; Waste management; Renewable energy; Sustainable products; Pollution prevention; Biodiversity protection.
- Social risks:
 - Data security; Product safety/*quality*; Supply chain management; Health and Safety; Training and development; Human rights; Equal opportunity; Labour relations; Community; Anti-corruption; Anti-competitive practices
- Governance risks:
 - Sustainability risks governance; Audit and internal control; Stakeholder engagement

In terms of environmental risks, the Issuer's ESG assessment goes beyond climate change related issues. It includes key ESG factors relevant to the energy sector and aligns with leading performance standards. The Issuer specifies that the partners it finances are subject to the following evaluation criteria:

- Evaluation per partners' level of commitment, active policies, and existence of tangible targets toward reducing their GHG emissions.
- Efficiency of the measures deployed to mitigate their environmental impact.
- Performance indicators that assess the evolution of the partners' ESG performance trends.

According to the Issuer, the ESG performance of each company is reviewed annually. In addition, the overall performance of the borrowers' portfolio is monitored in an aggregated manner.

The Issuer provides information on the evaluation process, sources used, and specific actions taken in the event of non-compliance with ESG clauses included in the client's contract or in the event of a controversy over an Eligible Project. APICORP reports that lenders will not disburse funds to the client until they have received a release letter from legal counsel confirming that the client has satisfied all conditions precedent set forth in the loan documents, which also include the client's ESG commitments when relevant. In addition, for each of the key ESG criteria in scope, APICORP will review the client's commitment being part of their policies and targets, discuss and monitor actions taken to meet their ESG risk management commitments, and verify the performance trends on a quantitative basis. The sources for the evaluation include publicly available information (companies' websites, annual reports, sustainability reports, third-party reports, etc.) as well as direct discussions with clients and investee companies. Breaches of covenants, including ESG covenants, that are not satisfactorily addressed during cure period will result, as per standard loan documentation, in an event of default, which may consequently lead to the accelerated repayment of the loan facility and/or seizure of the security, which would lead eventually to the loss of the ownership of the project by its sponsor(s).

Moreover, the toolkit is based on the recommendations of the Equator Principles¹⁵, European Bank of Reconstruction and Development (EBRD)¹⁶, International Finance Corporation (IFC)¹⁷ and the World Bank. The Issuer uses the environmental and social categorisation process of the IFC¹⁸, as the following:

- Category A: Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented.
- Category B: Projects with potential limited adverse environmental and social risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.
- Category C: Projects with minimal or no adverse environmental and social risks and/or impacts.

ENVIRONMENTAL RISKS

The IFC environmental performance standards cover the following Environmental risks which are relevant for all Eligible Categories.

Resource Efficiency and Pollution Prevention

The IFC standard guides companies to integrate practices and technologies that promote energy efficiency, use resources (including energy and water) sustainably, and reduce greenhouse gas emissions. Additionally, the ESG risks include greenhouse gases efficiency measures, water consumption, waste management systems of hazardous and non-hazardous waste materials and pesticides use and management.

Biodiversity Conservation and Sustainable Management of Living Natural Resources:

The IFC standard recognises that protecting and conserving biodiversity regarding endangered species, alien species (flora, fauna) integration, legally protected and interactionally recognized areas.

SOCIAL RISKS

The IFC Standards include the update of the Equator Principles. Additionally, the IFC social performance standards cover the following relevant issues:

Labour and Working Conditions

The IFC standard asks for companies to treat their workers fairly, to provide safe and healthy working conditions, to avoid the use of child or forced labour, and to identify risks in their primary supply chain. Additionally, the Performance Standards include international guidelines and conventions such as the International Labour Organization (ILO) and the United Nations (UN).

Community Health, Safety, and Security:

The IFC standard aims to avoid impacts on health and safety of communities (community exposure to disease, emergency preparedness and response, ecosystem services, etc), and to ensure relevant human right principles. Land Acquisition and Involuntary Resettlement: this standard guides companies to avoid involuntary resettlement wherever possible and to minimize its impact on those displaced through mitigation measures such as fair compensation and improvements to living conditions.

¹⁵ Equator Principles <https://equator-principles.com/>

¹⁶ EBRD website <https://www.ebrd.com/>

¹⁷ IFC Standards, IFC website <https://www.ifc.org/wps/wcm/connect/8804e6fb-bd51-482>

Indigenous People

The IFC standard ensures that business activities minimise negative impacts, foster respect for human rights, dignity, and culture of indigenous populations, and promote development benefits in culturally appropriate ways. Informed consultation and participation with IPs throughout the project process are a core requirement and may include Free, Prior and Informed Consent under certain circumstances.

Cultural Heritage

The IFC standards aim to guide companies in protecting cultural heritage from adverse impacts of project activities and supporting its preservation.

Business Ethics

According to the Issuer's website, APICORP was established in accordance with a multilateral agreement between the governments of the ten member states of the Organization of Arab Petroleum Exporting Countries (OAPEC)¹⁹. As an FATF Member, the GCC is committed to implementing the Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) measures agreed to by the FATF Members, specially the FATF Recommendations.²⁰

The Issuer disclosed to V.E several tools as a prerequisite before onboarding any client, including checking any issues related to Anti-Money laundering, corruption, tax evasion and adverse reputational news. These tools include Refinitiv's World-Check One²¹ which is a screening platform, created to support the due diligence regarding financial crime, bribery, and corruption; and researching publicly available information. A third-party ESG assurance report also supports green field project finance transactions. In every financial agreement, the client's compliance with local laws and the ESG report requirements is embedded in the legal documentation. Furthermore, the prevention of corruption/fraud/anti-competitive practices is assessed and monitored under APICORP ESG Evaluation Toolkit for both clients and projects. For each client, the Issuer assesses whether its Anti-corruption policy/Code of Conduct addresses all relevant areas, including the prevention of fraud, embezzlement, facilitation payments, gifts, conflict of interest, in addition to a reference to international standards. The client's performance in this criterion provides good assurance when the company's overarching policies are covered under the project.

Furthermore, at group level the Issuer reports on a Comprehensive Compliance and AML/CFT Policies & Procedures Manual, Know Your Customer (KYC) Questionnaires, Code of Conduct (includes its policy on anti-bribery and corruption), Compliance & AML screening system and a comprehensive compliance checklist. All new staff (including temporary or contract staff who may be involved in customer business) undergo induction training and refresher training regarding money laundering prevention; this includes employees in high-risk areas.

¹⁹ Kingdom of Saudi Arabia, United Arab Emirates, State of Kuwait, State of Libya, State of Qatar, Republic of Iraq, People's Democratic Republic of Algeria, Kingdom of Bahrain, Arab Republic of Egypt, and Syrian Arab Republic.

²⁰ <http://www.fatf-gafi.org/faq/membercountriesandobservers/>

²¹ World-Check One website https://solutions.refinitiv.com/world-check-one-kyc-verification/?utm_content=Product%20Name-FR-EMEA-G-EN-BMM&utm_medium=cpc&utm_source=google&utm_campaign=434508_PaidSearchEN&elqCampaignId=13781&utm_term=+world%20+check%20+one&gclid=CjwKCAjwhOyJBhA4EiwAEcjdcUcGnY7H6j1b8lQ8iAhPC76_2jvnQmGRsPWexl0B7LH28O5WR4bTvhoCdhYQAvD_BwE&gclidsrc=aw.ds

ISSUER

Management of ESG Controversies

As of August 2021, the review conducted by V.E did not reveal any ESG controversy against APICORP over the last four years.

Involvement in Controversial Activities

The Issuer appears to be involved in one of the 17 controversial activities screened under our methodology, namely:

- Minor involvement in Fossil Fuels industry: APICORP derives less than 5% of its turnover from fossil fuels. It holds several stakes in companies involved in the supply of upstream and midstream services to the oil and gas industry:
 - Upstream:

Associate Al Khorayef United Holding (24% owned) provides a range of services supporting the extraction phase. These include:

 - o Artificial lift solutions, especially electrical submersible pumps.
 - o Engineering, Procurement, Construction, Installation and Commissioning as well as Operation and maintenance of crude oil and gas production facilities.
 - o Enhanced Oil Recovery services, such as Water Injection, Cold Heavy Oil Production with Sand, and Steam Injection for Heavy Oil.
 - Midstream
 - o In 2013, the Company established the APICORP Petroleum Shipping Fund (94% owned), a USD 150 million Fund tasked with acquiring five medium range petroleum product tankers.
 - o In 2016, the Company established the APICORP Bahri Oil Shipping Fund (ABOSF, 85% owned) between APICORP and Bahri, tasked with acquiring approximately 15 Very Large Crude Carriers over three phases.

The Issuer appears 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, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine 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 V.E.

METHODOLOGY

In V.E's 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 organisation, activity, or transaction. In this sense, V.E provides an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. 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 Executive Director in charge of Methods, Innovation & Quality; and finally, V.E's Scientific Council.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

FRAMEWORK

Alignment with the Green Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by V.E according to the ICMA's Green Bond Principles - June 2021 ("GBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds and Loans standards. V.E evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by V.E on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by V.E on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by V.E on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).

Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

V.E's assessment of activities' contribution to sustainability encompasses both the evaluation of their expected positive impacts on environmental and/or social objectives, as well the management of the associated potential negative impacts and externalities.

Expected positive impact of the activities on environmental and/or social objectives

The expected positive impact of activities on environmental and/or social objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental objective for the sector of the activity; or to respond to an important social need at country level;²²
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the issuer, its value chain, local and global stakeholders); or targeting those populations most in need;
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental and/or social objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) only for environmental objectives, the extent to which the activity is adopting the best available option.

ESG risk management for eligible activities

The identification and management of the potential ESG risks associated with the eligible projects/activities are analysed on the basis of V.E's ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

ISSUER

Management of stakeholder-related ESG controversies

V.E defines a controversy as public information or contradictory opinions from reliable²³ sources that incriminate or make allegations against an issuer regarding how it handles ESG issues as defined in V.E ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

V.E reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

V.E 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 that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).

²² The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press.

²³ 'Reliable' means that there are sufficient details to substantiate claims made, with due attention paid to the political dimension of news and the danger of misinformation. V.E draws on investigative journalism, the business press, NGO, and trade union reports which focus on corporate behavior relating to ESG issues. It is neither possible nor advisable to create a prescriptive fixed list of sources as new, valid sources arise all the time and it is necessary to investigate these as and when they are retrieved in order to comprehensively cover evolving issues and media.

- **Severity:** the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the company, the higher its severity is. 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 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, V.E's 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 screen the company's involvement 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.

V.E'S ASSESSMENT SCALES

Scale of assessment of Issuer's ESG performance or strategy and financial instrument's Contribution to sustainability		Scale of assessment of financial instrument's alignment with Green and/or Social Bond and Loan Principles	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective. An advanced expected impact combined with an advanced to robust level of E&S risk management & using innovative methods to anticipate new risks.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles by adopting recommended and best practices.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. A robust expected impact combined with an advance to robust level of assurance of E&S risk management or an advanced expected impact combined with a limited level of assurance of E&S risk management.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues. A limited expected impact combined with an advanced to limited level of assurance of E&S risk management; or a robust expected impact combined with a limited to weak level of assurance of E&S risk management; or an advance expected impact combined with a weak level of assurance of E&S risk management.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles, but not all of them.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues. A weak expected impact combined with an advanced to weak level of assurance of E&S risk management or a limited expected impact with a weak level of assurance of E&S risk management.	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the Loan Market Association's Green Loan Principles.

Statement on V.E' s independence and conflict-of-interest policy

Transparency on the relation between V.E and the Issuer: V.E has not carried out any audit mission or consultancy activity for APICORP. No established relation (financial or commercial) exists between V.E and the Issuer. V.E's conflict of interest policy is covered by its Code of Conduct, which can be found at <http://vigeo-eiris.com/wp-content/uploads/2018/07/Code-of-Conduct-Vigeo-Eiris-EN.pdf>

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bonds, based on the information which has been made available to V.E. V.E 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 V.E neither focuses on the financial performance of the Bonds, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of V.E. The draft version of the Second Party Opinion by V.E is for information purpose only and shall not be disclosed by the Issuer. V.E grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond issuance. The Issuer acknowledges and agrees that V.E reserves the right to publish the final version of the Second Party Opinion on V.E' website and on V.E' internal and external communication supporting documents.

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