



SECOND PARTY OPINION¹ ON THE SUSTAINABILITY OF RATP'S GREEN BOND²

Issued in May 2017

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion on the sustainability credentials and management of the Green Bond (the "Bond") considered to be issued by the Régie Autonome des Transports Parisiens ("RATP" or the "Issuer"), according to Vigeo Eiris' Environmental, Social and Governance (ESG) assessment methodology, in line with the Green Bond Principles guidelines.

The opinion is based on the review of the two following components:

- Issuer: document-based evaluation of RATP's ESG performance, controversies and capacity to mitigate these risks.
- Issuance: analysis of the coherence of the Bond framework with RATP's strategy and commitments, and document-based evaluation of the Bond framework, including:
 - analysis of the process for categorisation and selection of projects eligible to the use of proceeds, and the process for evaluation of their environmental and social risks and impacts
 - assessment of reporting systems dedicated to information, monitoring and control related to fund allocation, to management and impacts of financed projects.

Vigeo Eiris' sources of information are gathered from our rating database, from RATP data, press content providers and stakeholders. Vigeo Eiris has carried out its due diligence from the 25th of March to the 17th of May 2017, complemented by interviews with involved managers, held at the RATP's offices in Paris (France).

We were able to have access to all appropriate documents and to meet all solicited people. We consider that the provided information enable us to establish our opinions with a reasonable level of assurance on their completeness, precision and reliability.

VIGEO EIRIS' OPINION

Vigeo Eiris confirms that the Bond intended by RATP is a "Green Bond" with positive contribution to sustainable development, aligned with the Green Bond Principles.

Vigeo Eiris reaches a reasonable³ level of assurance on the Bond contribution to sustainability:

- **Issuer:** RATP displays an overall robust³ ESG performance (see Part I).
 - RATP achieves an advanced performance in the Environmental pillar, while the performances on the Social and Governance pillar are respectively robust and limited.
 - RATP faces occasional controversies, which severity ranges from minor to significant, related to human rights (non-discrimination) and business behaviour (responsible customer relations). The company is overall reactive: it reports transparently on these cases.
 - RATP is not involved in any of the 9 disputable activities analysed by Vigeo Eiris⁴.

¹ Second Party Opinion – Green Bond Principles: This opinion is to be considered as the "Second Party Opinion" described by the Green Bond Principles (2016 edition in the 'External Review' section). The Green Bond Principles include the Voluntary Process Guidelines for Issuing Green Bonds and the Guidance for Borrowers of Social Bonds (see: www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/)

² The "Green Bond" is to be considered as the potential forthcoming Bond, which issuance is subject to market conditions.

³ Definition of Vigeo Eiris' scales of assessment (as detailed on the last page of this document):

Level of Performance: Advanced, Robust, Limited, Weak.
Level of Assurance: Reasonable, Moderate, Weak.

⁴ The 9 controversial activities analysed by Vigeo Eiris are: Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, Genetically Modified Organisms in food & feed, Nuclear energy, Sex industry, 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.

- **Issuance:** The Issuer's Green Bond framework is coherent with RATP's main strategic priorities and is considered to be robust (see Part II):
 - ▶ The net proceeds of the Bond issuance will be used to finance and refinance Eligible Green Projects related to public transport, which contribute to climate change mitigation, environmental health and natural resources preservation, in line with four United Nations Sustainable Development Goals. Environmental objectives and expected benefits associated with the Eligible Green Projects are visible, relevant, precise and measurable, and will be assessed and quantified by the Issuer.
 - ▶ The process for categorisation, evaluation and selection of Eligible Green Projects is clearly defined, made publically available on RATP's website, and is considered to be robust in terms of governance, transparency and relevance of defined eligibility criteria, in line with the Green Bond Principles requirements.
 - ▶ The rules and commitments for management of proceeds are clearly defined and formalized by the Issuer and are considered to be robust, enabling a documented transparent allocation process.
 - ▶ The Issuer is committed to report annually, publicly and until the net proceeds are fully allocated. The reporting commitments and process are robust, covering the fund allocation and environmental benefits of selected projects (outputs and impacts) at category level, reaching an overall reasonable level of assurance on its capacity to report on the Green Bond's use and impacts.

Beyond the Green Bond Principles requirements, in line with international standards, some ESG factors have been integrated in the evaluation and selection process, covering most ESG risks related to all Eligible Green Projects categories. Regarding monitoring and reporting on ESG management, the Issuer will report at category level and at corporate level, through its annual Integrated Report, and include some focuses on key projects. Additional indicators related to other sustainability benefits will be reported at project level on a case-by-case basis, when feasible and relevant. We have further recommended to reinforce monitoring and disclosure at project level related to projects ESG management.

EXTERNAL REVIEW

RATP's Green Bond issuance is supported by external reviews, provided by:

- The sustainability consultant review, i.e. the hereby Second Party Opinion performed by Vigeo Eiris, on the sustainability credentials of the Green Bond, based on pre-issuance commitments and covering all bond dimensions, i.e. Issuer's sustainability profile and commitments related to the issuance (use of proceeds, evaluation, selection and allocation processes and reporting).
- An annual verification, i.e. a third party ESG and/or financial audit, of the allocation of the bond proceeds (allocated proceeds and remaining balance of unallocated proceeds) and the compliance of allocated proceeds with the eligibility criteria, until the full allocation of the net proceeds.

This Opinion is valid as of the date of issuance limited to RATP's 2017 first Green Bond.

Paris, 19th of May 2017.



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Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has not executed any audit mission or consultancy activity for RATP until so far and no established relationship (financial or other) exists between Vigeo Eiris and RATP.

This opinion aims to explain for investors why the Green Bond is considered as sustainable and responsible, based on the information which has been made available to Vigeo Eiris and which has been analyzed by Vigeo Eiris. Providing this opinion does not mean that Vigeo Eiris certifies the materiality, the excellence or the irreversibility of the projects financed by the Green Bond. RATP is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on financial performance of the Green Bond, nor on the effective allocation of 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 RATP or its financial obligations.

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.

DETAILED RESULTS

Part I. ISSUER

Level of RATP's ESG performance

RATP's overall approach to manage ESG related issues is robust.

Domain	Comments	Opinion
Environment	In the Environment pillar, RATP's performance is advanced.	Advanced
	The company commits to all its responsibilities in terms of environmental protection and this commitment is overseen by a dedicated structure and backed by relevant measures, notably in the framework of the ISO 14001 certification.	Robust
	RATP works to reduce the environmental impacts from its operations and has allocated extensive means to the reduction of energy use (fleet and facilities optimization), waste management (strategic plan with the city of Paris, reuse and treatment) and local pollution (audits, noise-reducing wheels, dialogue with the local population). RATP has also invested in sustainable urban transport solutions through creation of parking relays to facilitate the use of public transport and awareness raising programmes among others.	Limited
	The KPIs disclosed – namely energy consumption, GHG emissions, and waste production – show decreasing trends over the past five years.	Weak
Social	RATP's performance in the Social pillar is robust. Several key issues - including social dialogue, freedom of association and collective bargaining, working hours, career management and non-discrimination - are covered by collective agreements.	Advanced
	The company reports on extensive measures in place to foster community involvement, including stakeholder dialogue, promotion of local employment, adaptation of transport and facilities for disabled people and affordable fares. RATP appears to relevantly address health and safety issues, through measures aiming at improving both safety at work (OHSAS 18001 certification) and well-being (improvement of ergonomics).	Robust
	Regarding customer-related issues, the company has a Strategic Orientations Plan to improve transport safety, has set a quantitative target regarding client satisfaction and implemented measures such as real-time information to customers on cancellation and delay.	Limited
		Weak
Governance	RATP achieves a limited performance in the Governance pillar.	Advanced
	The information disclosed on the subjects of executive remuneration and responsible lobbying is limited. There is no Nomination and Remuneration Committees at Board level.	Robust
	Robust audit and internal control systems appear to be in place and they seem to cover some relevant CSR issues, namely operation safety and social dialogue. In addition, some measures are in place to prevent antitrust practices, including a whistle blowing system (available to employees only) and training for employees, even though there is no disclosure on the number of antitrust incidents reported internally.	Limited
		Weak

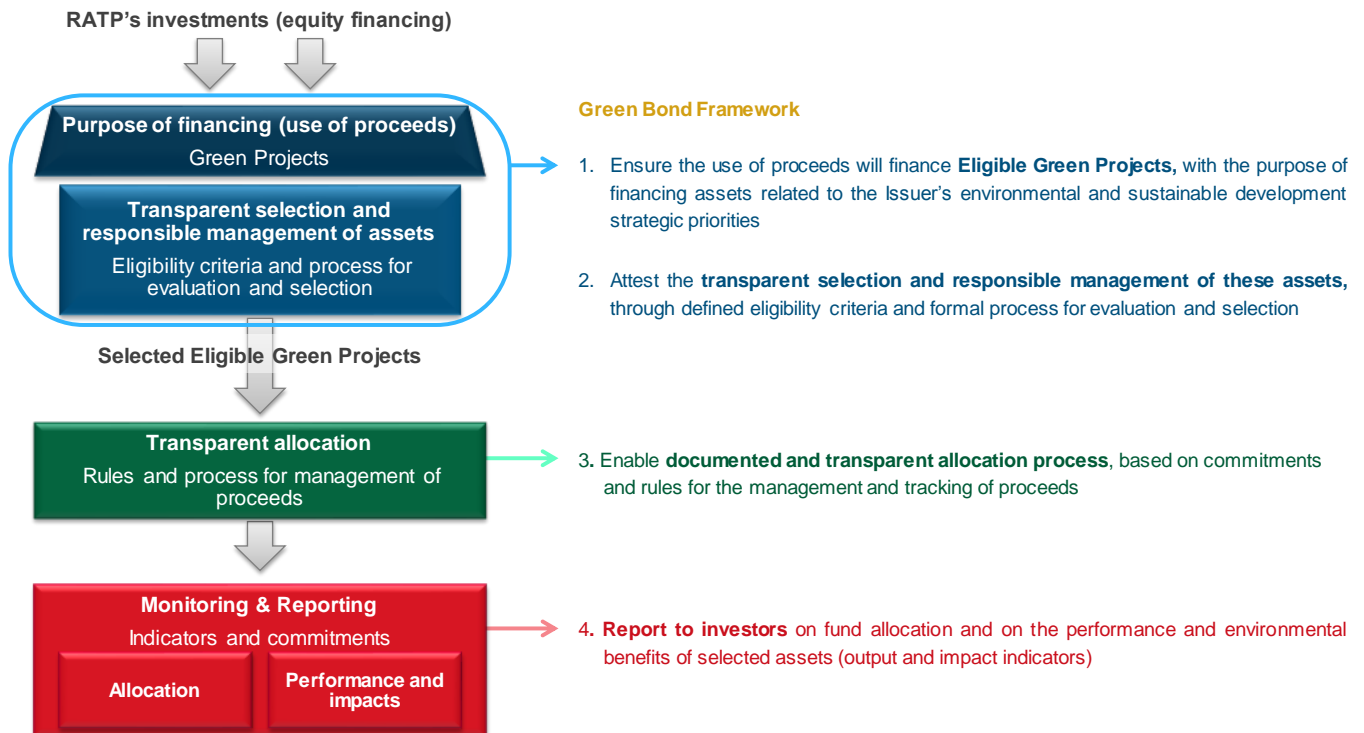
Stakeholder-related ESG controversies and Involvement in controversial activities

RATP was condemned twice over the past few years over discriminative practices linked to sex and religion. In addition, in November 2015, a French consumer rights association filed a complaint denouncing the lack of incentives in the current bonus-malus system at RATP and the non-compensation of travellers in case of delays.

- **Frequency:** RATP faces occasional allegations: the company is involved in 3 stakeholder-related ESG controversies, on several domains:
 - Business Behavior especially responsible customer relations
 - Human Rights especially non-discrimination
- **Severity:** The level of severity ranges from minor to significant based on the analysis of their impact on the company and its stakeholders: the company faces 1 case of minor severity and 2 cases of significant severity.
- **Responsiveness:** RATP is overall reactive: the company reports transparently in the 3 cases.

RATP has no involvement in any of the 9 controversial activities analysed by Vigeo Eiris, namely: alcohol, animal maltreatment, armament, hazardous chemicals, gambling, GMOs in food & feed, nuclear energy, sex industry, and tobacco

Part II. ISSUANCE



Coherence of the issuance

As a State-owned public transport company, RATP supports the development of low-carbon and sustainable transport. The Group commits to be a major player in sustainable mobility and sustainable city infrastructure, to reduce its environmental footprint and to assert its social and societal responsibility. In particular, RATP has set the objectives to reduce its greenhouse gases emissions (GHG) by 50% and its energy consumption by 20% between 2015 and 2025.

- Regarding sustainable mobility and sustainable city infrastructure, RATP commits to build a transport offer accessible to all, to act in favor of public health and the environment and to favor the urban integration and functional mixing. Maintaining and renovating public transport infrastructure and facilities and modernizing stations and spaces can contribute to the reduction of atmospheric emissions, which would be a benefit in terms of environmental health, thus in line with RATP's commitment.
- RATP states that it strives to reduce its carbon footprint, save resources, develop a circular economy and foster a continuous improvement approach and eco-conception. Investments in its public transport rolling stock renovation and renewal and in other low-carbon vehicles can contribute to improve energy efficiency and to develop electric vehicles, which is consistent with the reduction of RATP's carbon footprint.
- RATP's CSR strategy incorporates a social responsibility policy, which aim is to satisfy the fundamental needs of territories and contribute to their attractiveness and social performance to facilitate cohesion and social equality. The modernization of public transport infrastructures, public transport rolling stock and stations are in line with this commitment, since they can contribute to the improvement of the quality of service, the attractiveness of the transport offer and the improvement of the passengers' safety and comfort.

RATP's Green Bond Framework is coherent with the company's main strategic priorities, and contributes to achieve its commitments and objectives. Vigeo Eiris has a reasonable level of assurance on RATP's capacity to integrate relevant issues in terms of environmental responsibility.

Use of proceeds

The net proceeds of the Green Bond will be used to finance and refinance, in whole or in part, Eligible Green Projects included in 4 categories:

- Public transport infrastructure maintenance and renovation;
- Public transport rolling stock renovation and renewal;
- Public transport stations and spaces modernization;
- Other public transport low-carbon vehicles.

Eligible Green Projects would contribute to one or several of defined environmental objectives and met a set of eligibility criteria evaluated by Vigeo Eiris. They are located in France and include:

- Projects financed through equity (CAPEX)
- Existing projects, i.e. investments made two years prior to the issue of the Bond, and future projects, i.e. investments to be made during the lifetime of the Bond.

The definitions of each Eligible Green Projects' category, related objectives and expected environmental benefits have been evaluated based on the table below:

- The definitions are clear and relevant
- The environmental objectives are visible, relevant, precise and measurable
- The expected environmental benefits will be assessed and quantified by the issuer.

Eligible Green Projects' categories	Definition	Environmental objectives	Expected benefits
Public transport infrastructures maintenance and renovation	This category includes investments in infrastructure projects related to the main missions attributed to RATP as an infrastructure manager: <ul style="list-style-type: none"> - Development, monitoring, maintenance and renewal of infrastructures: - Management of the control, regulation and safety systems of lines and railways in Ile-de-France 	<ul style="list-style-type: none"> - Energy improvement/GHG emission reduction - Air quality improvement - Improvement of the modal shift to rail - Preservation of natural resources 	<p>Climate change mitigation Energy savings and GHG emissions avoidance ---</p> <p>Environmental Health Air quality improvement ---</p> <p>Preservation of natural resources Waste and water management improvement</p>
Public transport rolling stock renovation and renewal	This category includes investments in renovation or renewal of rolling stock projects related to metros and RER trains.	<ul style="list-style-type: none"> - Energy improvement/GHG emission reduction - Air quality improvement - Improvement of the modal shift to rail 	<p>Climate change mitigation Energy savings and GHG emissions avoidance ---</p> <p>Environmental Health Air quality improvement</p>
Public transport stations and spaces modernization	This category includes investments in transport areas modernization projects.	<ul style="list-style-type: none"> - Energy improvement/GHG emissions reduction - Improvement of the modal shift to public transport 	<p>Climate change mitigation Energy savings and GHG emissions avoidance</p>
Other public low-carbon vehicles	This category includes investments in low-carbon transport vehicles related to electric buses or hybrid	<ul style="list-style-type: none"> - Energy improvement/GHG emission reduction - Air quality improvement - Improvement of the modal shift to rail 	<p>Climate change mitigation Energy savings and GHG emissions avoidance ---</p> <p>Environmental Health Air quality improvement</p>

In addition, Vigeo Eiris considers that the Eligible Green Projects align with the following United Nations Sustainable Development Goals (UN SDGs):

Contribution to achieving the UN SGD 7. Affordable and clean energy



The UN SDG 7 consists in ensuring access to affordable, reliable, sustainable and modern energy for all, with targets by 2030 to double the global rate of improvement in energy efficiency. Transportation companies can contribute to this goal by upgrading fleets to enable the use of alternative, less carbon-intensive fuels, drive the use of renewables and partnering with manufacturers to improve the design and energy performance of their vehicles. By using the green bond proceeds to finance projects related to all the defined Eligible Green Project Categories, RATP is contributing to the UN SDG 7, with regards to the above-mentioned targets.

Contribution to achieving the UN SGD 11. Sustainable cities and communities



The UN SDG 11 consists in making cities inclusive, safe, resilient and sustainable, with targets by 2030 to provide access to safe, affordable, accessible and sustainable transport systems for all, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, including persons with disabilities. By using the green bond proceeds to finance projects related to all the defined Eligible Green Project Categories, RATP is contributing to the UN SDG 11, with regards to the above-mentioned targets

Contribution to achieving the UN SGD 12. Responsible consumption and production



The UN SDG 12 consists in ensuring sustainable consumption and production patterns, with targets by 2030 on the reduction of waste generation and release to air, water and soil, in order to minimize adverse impacts on human health and the environment. By using the green bond proceeds to finance projects related to all the defined Eligible Green Project Categories, RATP is contributing to the UN SDG 12, with regards to the above-mentioned targets

Contribution to achieving the UN SGD 13. Climate Action



The UN SDG 13 consists in taking action to combat climate change and its impacts. Transportation companies can contribute to this goal by investing in resilient systems and climate-smart technology to reduce or mitigate climate induced change by reducing GHG and atmospheric emissions. By using the green bond proceeds to finance projects related to all the defined Eligible Green Project Categories, RATP is contributing to the UN SDG 13, with regards to the above-mentioned contribution.

Process for project evaluation and selection

The Issuer is committed to attest the transparency and efficiency of selection process and the responsible management of the proceeds and financed projects, through a process and eligibility criteria as defined within the existing Green Bond framework, which have been evaluated by Vigeo Eiris.

The process for project evaluation and selection is considered to be robust in terms of governance, transparency and relevance, in line with the Green Bond Principles requirements.

- The process is clearly defined, formalised and publicly available, relying on relevant eligibility and exclusion criteria, including:
 - ▶ Use of proceeds criteria, based on the definition of each Eligible Green Projects' category supported by examples of eligible projects.
 - ▶ Environmental and other sustainability objectives described for each category, including energy transition and climate-change mitigation, pollution prevention and natural resources preservation. We recommend to define quantitative targets, when relevant and feasible.
 - ▶ Additional selection criteria, defined to exclude projects which are exposed or may be exposed to major ESG controversies.
- The evaluation and selection process is reasonably structured: it relies on RATP's existing investment process and internal roles and responsibilities are well-defined
 - ▶ The list of Eligible Green Projects to be financed by the Green Bond is established by a dedicated Green Bond Committee, composed of the Finance and Control Management department, the Control and Investment department and the Strategy and Corporate Social Responsibility department;
 - ▶ A first analysis of assets eligibility, made by the Finance Department, aims at defining a pool of potential Eligible Green Projects from an initial investments pool, using financial criteria;
 - ▶ A second analysis, performed by the Strategy and Corporate Social Responsibility department, aims at selecting the projects with the most significant environmental and sustainability impacts, including the consultation of project managers;
 - ▶ The Executive Committee validates the final list of projects.
- The evaluation and selection process is based on relevant internal expertise: involved people are appropriate and include employees from departments of investment, finance, sustainable development, legal, as well as the relevant project managers.
- The verification and traceability of the project evaluation and selection is ensured internally
 - ▶ An internal control will be carried out by the middle office, based on the verification that the Eligible Green Projects have been selected in line with the Green Bond Framework;
 - ▶ The Green Bond Committee will review, at least annually, the proceeds allocation;
 - ▶ Post issuance, compliance of selected projects with the Green Bond framework will be verified by the external auditors
 - ▶ RATP commits that the meeting minutes of the Committee will be recorded.
- We recommend structuring the method for project selection. RATP has dedicated resources for a future formalization of the process.

Beyond the Green Bond Principles requirements, in line with international standards, certain ESG factors have been integrated in the evaluation and selection process, covering main ESG risks related to most of the Eligible Green Projects., for the assets related to this transaction.

For future transactions and regarding the overall framework, we recommend to:

- ▶ Homogenize the integration of ESG factors between categories and to structure the ESG approach;
- ▶ Widen the scope of application of the guidelines and checklists used by the Project Management Department to integrate sustainable development issues in project management to all project categories, and train project managers on this issue;
- ▶ Reinforce the integration of sustainable development requirements in the purchasing process, including the role of the sustainable development team in this process.

Management of proceeds:

Vigeo Eiris considers that RATP's rules and commitments for management of proceeds are defined and robust, enabling a documented transparent allocation process.

- The net proceeds of the bond will be credited to the general funding account of RATP. Pending allocation to Eligible Green projects, unallocated proceeds will be managed by the Treasury Department and temporarily invested in cash, deposits and money market instruments, which do not include GHG intensive or controversial activities.
- RATP's Control and Investment department will be in charge of tracking the investments of the proceeds allocated to Eligible Green Projects. Tracking will be made through the RATP accounting system - a database gathering investment files classified by accounts and by master plans (infrastructures, bus, railway rolling stock, spaces/services to travellers, transport systems, patrimonial, information systems and telecoms and real estate). Each Eligible Project corresponds to one or several accounts. All the data compiled in the accounting system is reviewed by the accounting department and by the company's external auditors. This tracking of the funds is integrated into the annual Corporate Social Responsibility Report.
- RATP will allocate the Green Bond proceeds towards Eligible Green Projects within 5 years after the issuance of the bond.
- The proceeds will be used to refinance disbursements made from 2014 as well as to finance disbursements to be made between 2017 and 2022. RATP's rationale for the selection of Eligible Green Projects should lead to an overall share of refinancing of approximately 50%.
- In case of asset postponement, RATP commits to use the net proceeds to finance other Eligible Green Projects which are compliant with the Green Bond framework, corresponding to one of the Eligible Green Projects' category without distinction.

Monitoring & Reporting

The processes for monitoring, data collection, consolidation and reporting have been clearly defined by the Issuer, but are partially disclosed in the Green Bond framework, including relevant people from across the company, including at project level.

- Regular monitoring of impacts is ensured by the Strategy and Corporate Social Responsibility department, based on information collected by project managers at project level and by the legal department, in case a controversy occurs.
- Regular monitoring of the allocation of proceeds is ensured by the Finance Department.
- The Green Bond Committee will annually review the allocation of the proceeds and the overall reporting indicators before their publication

The Issuer has identified reporting indicators and calculation methodologies will be defined and make publicly available on the Issuer website for each reporting. The selected reporting indicators related to the fund allocation and the environmental benefits are relevant for the defined Eligible Green Projects categories.

The Issuer commits to transparently report on the Green Bond, until the complete allocation of bonds proceeds, on:

- Use of proceeds

Reporting indicators at project level	Reporting indicators at Bond level
<ul style="list-style-type: none"> - Number of projects/funds - Description of emblematic investments - Amounts invested (in EUR) - Share of financing and refinancing - Percentage of completion of projects 	<ul style="list-style-type: none"> - Amounts invested (in EUR) - Share of financing and refinancing - Total allocated amount vs total amount of proceeds (in %) - Description of the unallocated proceeds management

- Environmental benefits: annual ex-ante estimate of the theoretical environmental impact metrics and, when feasible, ex-post impact measurements, aggregated at category level

Sustainability benefits	Outputs reporting indicators	Impacts reporting indicators
Carbon Impact and Energy Efficiency	<ul style="list-style-type: none"> - Energy savings (KWh saved/reduced) - GHG emissions per passenger kilometre travelled 	<ul style="list-style-type: none"> - Total GHG emissions reduction (t CO₂eq) - GHG emissions reduction by mode of public transport (t CO₂eq)
Pollution Reduction Impact		<ul style="list-style-type: none"> - Total particles concentration reduction - Estimated Noise Reduction
Waste and Water Management		<ul style="list-style-type: none"> - Tons of waste reduced/recycled (t) - Cubic metre of water saved/reduced (m³)

- Other sustainable development impacts: these indicators can be linked on a case-by-case basis to some of the Eligible Green Projects, when feasible and relevant.

Impact classification	Reporting indicators at category level
Network activity/usage	<ul style="list-style-type: none"> - Increased number of passengers travelled by kilometer - Estimated modal shift ratio - Estimated average time waiting (minutes per passenger)
Job creation and preservation	<ul style="list-style-type: none"> - Estimated full-time equivalents created or supported

The Issuer may select alternative quantitative or qualitative indicators, to remain relevant to the selected Green Projects. For all Eligible Green Projects, RATP may integrate additional qualitative or quantitative indicators as considered appropriate to disclose relevant performances or details on projects management.

The Issuer is committed to disclose its reporting in its the CSR annual report, annually reviewed by RATP's external auditors and available on its website⁵.

The reporting commitments comply with the Green Bond Principles requirements, covering both proceeds allocation and environmental benefits of financed projects. We recommend to report on environmental and sustainability benefits until the maturity date of the bond.

⁵ <http://rapportannuel2015.ratp.fr/en/index.php>

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 to define and to assess 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 Behavior and Corporate Governance. The evaluation framework has been customized regarding material issues, based on the Travel & Tourism assessment framework, projects specificities and emerging issues.

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 (such as RATP Green Bond framework, RATP 2015 Financial and CSR report, CSR policy and Code of Ethics, internal procedures related to project management, referential for the integration of sustainable development in a project, Investment Decision File, example of environmental and social purchasing specifications,...) related to the Bond evaluation 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 performance, i.e., commitments, processes, results of the Issuer, related to ESG issues have been assessed through a complete process of rating and benchmark developed by Vigeo Eiris Rating. Furthermore, this assessment has been completed by Vigeo Eiris Enterprise based on additional public information and stakeholders' views and opinion collected from public documentation.

Level of the Issuer's ESG performance

RATP has been evaluated by Vigeo Eiris on its Corporate Social Responsibility (CSR) performance, based on 25 relevant ESG drivers organized in the 6 sustainability domains. RATP's performance has been assessed by Vigeo Eiris on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholder's feedbacks and controversies.
- Scale for assessment of ESG performance: Advanced, Robust, Limited, Weak.

Stakeholder-related ESG controversies and involvement in controversial activities

A controversy is a piece of 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, 9 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 Green Bond framework 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 requirements are defined to ensure that the funds raised are used to finance and/or refinance an Eligible Projects and are traceable within the issuing organisation. Each Project endorsed shall comply with at least one of the Eligible Projects category definition in order to be considered as an Eligible Project. Vigeo Eiris evaluates the relevance, visibility, and measurability of the associated environmental and/or social objectives. The sustainability purpose of the Green Bond related Eligible Projects has been precisely defined, with regard to the Issuer's commitments, and assessed based on the described and estimated benefits of Eligible Projects. The contribution of Eligible Projects to sustainable development is evaluated based on the United Nations Sustainable Development Goals.

Process for project 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 selection criteria and associated supporting elements integrated in the Green Bond framework, 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 Projects financed by the Green Bond proceeds, collected at project level and potentially aggregated at Bond 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, Robust, Advanced.
- Scale of level of assurance on Issuer's capacity: Reasonable, Moderate, Weak.

VIGEO EIRIS'S 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
Robust	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
Rating

vigeo eiris
Enterprise

Vigeo Eiris is a global provider of environmental, social and governance (ESG) research to investors and public and private corporates. The agency evaluates the level of integration of sustainability factors into organisations' strategy and operations, and undertakes a risk assessment to assist investors and companies' decision-making

Vigeo Eiris offers two types of services through separate business units

- ▶ **Vigeo Eiris rating** offers databases, sector-based analyses, ratings, benchmarks and portfolio screening, to serve all ethical and responsible investment strategies.
- ▶ **Vigeo Eiris enterprise** works with organisations of all sizes, from all sectors, public and private in order to support them in the integration of ESG criteria into their business functions and strategic operations.

Vigeo Eiris methodologies and rating services adhere to the strictest quality standards and have been certified to the independent ARISTA® standard. Vigeo Eiris is CBI (Climate Bond Initiative) verifier. Vigeo Eiris' research is referenced in several international scientific publications.

Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Milan, Montreal, Santiago, Stockholm and Tokyo and has a team of 200. The agency works with partners through its Vigeo Eiris Global Network.

For more information: www.vigeo-eiris.com