

# Second-Party Opinion

## SFIL Group Social Bond

### Evaluation Summary

Sustainalytics is of the opinion that the SFIL Group Social Note Framework is credible and impactful, and aligns with the four core components of the Social Bond Principles 2018. This assessment is based on the following:



**USE OF PROCEEDS** While the proceeds will not be used on a project basis, Sustainalytics considers SFIL’s investments in hospitals to be impactful and aligned with the Social Bond Principles categories seeking to achieve positive socio-economic outcomes for target populations. Sustainalytics is of the opinion that the use of proceeds will meaningfully support France’s health care system in accordance with France’s National Healthcare Strategy 2018-2022.



**PROJECT EVALUATION / SELECTION** SFIL established an internal mandatory process for assessing the Healthcare Added Value and credit worthiness of the public hospital loans prior to the approval phase. The selection process is executed by SFIL’s Head of Investor Relations and the Treasury & Financial Markets Management. Sustainalytics considers this approach to be in line with market practices.



**MANAGEMENT OF PROCEEDS** SFIL will track its social bond proceeds internally through a register established to monitor its entire Health Loan Portfolio. Pending full allocation, SFIL will hold its unallocated proceeds as per the company’s treasury policy. Sustainalytics assesses this process to be aligned with market practices.



**REPORTING** SFIL commits to providing allocation reporting on an annual basis until proceeds are fully allocated and on a timely basis in case of material changes. The allocation report will provide relevant transaction information such as the total amount of proceeds allocated to the Health Loan Portfolio or others. This process is in line with market practices. With regards to impact reporting, SFIL will provide data on an annual basis including the hospital capacity generated (in terms of number of spaces, beds, etc.), on a best effort basis. Sustainalytics views positively SFIL efforts to provide relevant and quantifiable impact metrics and encourages the company to always ensure that its impact report is published on a regular basis.

<b>Evaluation date</b>	24 January 2019
<b>Issuer Location</b>	Paris, France

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## Introduction

SFIL ("SFIL" or "the company") is a French public development bank that was created in February 2013 with the aim of ensuring the availability of financing for the country's public sector. SFIL's sole and wholly owned subsidiary, Caisse Francaise de Financement Local (CAFFIL), is the entity through which the issuer raises funds on capital markets. Since 2016, the group is also an active issuer directly through SFIL. SFIL has developed a social bond framework under which it will issue multiple social bonds and use the proceeds to finance and refinance expenditures related to public healthcare.

The net proceeds of each social bond will be used to finance or refinance, in whole or in part, existing or future loans that ensure adequate financing for France's public hospital system. The framework defines eligibility criteria in the following area:

1. SFIL's Health Loan Portfolio: all public hospital loans issued by SFIL since 2013.

SFIL engaged Sustainalytics to review the SFIL Group Social Note Framework and provide a second-party opinion on the alignment of the framework with the Social Bond Principles 2018 (the "SBP"), as administered by the International Capital Market Association (the "ICMA")<sup>1</sup>, and the framework's social credentials. This social bond framework has been published in a separate document.

As part of this engagement, Sustainalytics held conversations with various members of SFIL's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of SFIL's social bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the SFIL Group Social Note Framework and should be read in conjunction with that framework.

<sup>1</sup> ICMA's Social Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the SFIL Group Social Note Framework

#### Summary

Sustainalytics is of the opinion that the SFIL Group Social Note Framework is credible and impactful, and aligns with the four core components of the Social Bond Principles 2018. Additionally, Sustainalytics views SFIL's social bond positively. Some of its key strengths are as follows:

#### Use of Proceeds:

- SFIL intends to use the proceeds of the SFIL Group Social Note Framework for its Health Loan Portfolio consisting of all the public hospital loans originated by the company since 2013. While the proceeds will not be used on a project basis, Sustainalytics considers the use of proceeds in hospitals to be aligned with the eligibility categories of Social Bond Principles and impactful, especially given SFIL's consideration of the Healthcare Added Value of public hospitals in the selection process of eligible loans. Sustainalytics believes that SFIL's investments will meaningfully support France's health care system in accordance with France's National Healthcare Strategy 2018-2022.<sup>2</sup> For additional information on impact, please consult Section 3.

#### Project Selection Process:

- SFIL established an internal two-step credit analysis as well as an internal scoring methodology applied to all public hospital loans to assess the Healthcare Added Value and credit worthiness of a given public hospital prior to approving the specific loan. The selection process is executed by SFIL's Head of Investor Relations and the Treasury & Financial Markets Management. SFIL confirmed that the Credit Risk Committee, comprising the CEO, CFO, CRO and internal audit committee, reviews all credit risk procedures and methodologies used to assess the Healthcare Added Value and credit worthiness of the loans. Sustainalytics considers this approach to be in line with market practices.

#### Management of Proceeds:

- SFIL will track its social bond proceeds internally through a register established to monitor its entire Health Loan Portfolio. SFIL has confirmed that the total outstanding amount of the social bond proceeds will always be lower than the size of the Health Loan Portfolio. Pending full allocation of the funds, SFIL will invest the unallocated proceeds as per the company's treasury policy. Moreover, SFIL confirmed that an auditor will provide an annual confirmation of the social bond proceeds' allocation in line with the framework's eligibility criteria. Sustainalytics considers this process to be aligned with market practices.

#### Reporting:

- SFIL commits to providing allocation reporting on an annual basis until proceeds are fully allocated and on a timely basis in case of material changes. The allocation report will provide relevant transaction information such as the total amount of proceeds allocated to the Health Loan Portfolio or others. This process is in line with market practices. With regards to impact reporting, SFIL will provide data on an annual basis including the hospital capacity generated (in number of spaces and beds) and the number of hospital stays.<sup>3</sup> Sustainalytics views positively SFIL's efforts to provide relevant and quantifiable impact metrics and encourages the company to ensure that its impact report is published on a regular basis.

#### Alignment with Social Bond Principles 2018:

Sustainalytics has determined that SFIL's social bond aligns to the four core components of the Social Bond Principles 2018. For detailed information please refer to Appendix 1: External Review Form.

<sup>2</sup> France's National Healthcare Strategy 2018 2022 document available at: [http://solidarites-sante.gouv.fr/IMG/pdf/dossier\\_sns\\_2017\\_vdefpost-consult.pdf](http://solidarites-sante.gouv.fr/IMG/pdf/dossier_sns_2017_vdefpost-consult.pdf)

<sup>3</sup> SFIL confirmed that KPI 'places' is used to quantify the number of partial hospitalizations (medical treatments of less than one day), while KPI 'beds' is used to quantify the number complete hospitalizations (medical treatment of more than one day). The 'stays' measure the number of visits in the hospital, independently of the visit duration (within one day or over several days).

## Section 2: Sustainability Strategy of the Issuer

### Contribution of framework to SFIL's Sustainability Strategy

SFIL was established in 2013 by the French government to provide long-term funding to the French public-sector following the 2008 financial crisis, which had curbed funding availability. SFIL operated under a specific public mandate to secure funding for the French healthcare system and for the social infrastructure investment requirements, among others. Sustainalytics believes that SFIL's issuance of social bonds represents an organic and legitimate extension of its mandate to secure funding for France's healthcare and social infrastructure system. Moreover, given SFIL's recent cooperation with La Banque Postale, SFIL secured a 20-25% market share in France's public sector,<sup>4</sup> thus further highlighting the company's suitability to play a meaningful role in supporting France's social infrastructure.

SFIL's role in fostering healthcare and social infrastructure is also underlined by the local context in which approximately 60% of all French public-sector investments are realized with funding secured through public banks as SFIL. As such, based on SFIL's mandate to secure funding for France's social and healthcare infrastructure, Sustainalytics considers that the company is well positioned to issue social bonds.

### Well positioned to address common social risks associated with the projects

SFIL intends to use the proceeds to finance and refinance a Health Loan Portfolio including public health services, research and development for treatment and training for healthcare professionals. While healthcare infrastructure has a clear positive social impact, Sustainalytics recognizes that healthcare and social infrastructure projects may pose specific risks such as the unequal patient treatment, safety and quality of the healthcare treatment and cost control risks. Under the French national healthcare system, local hospitals are required to offer universal healthcare to the entire French population, particularly to financially and socially vulnerable groups, elderly or homeless people, with the purpose of reducing social inequalities free of any kind of discrimination.<sup>5</sup> In this sense, the French legislation requires that in the absence of insurance, the French public hospitals are required to provide free healthcare.

Moreover, SFIL confirmed that the monitoring and prevention of environmental and social risks commonly associated with healthcare systems are executed by France's Regional Healthcare Agencies (ARS – Agences Régionales de Santé), which is also responsible for ensuring adequate resource allocation for the entire healthcare system, in line with France's Code de la Santé Publique.<sup>6</sup> Based on the above, Sustainalytics considers that SFIL's financing of public hospital loans will be executed within a strict administrative and legislative structure which provides an adequate framework for ensuring a proper level of risk mitigation against the above-mentioned social and environmental risks.

## Section 3: Impact of Use of Proceeds

### The importance of public healthcare in France

The public healthcare system in France is open to all citizens and provides universal healthcare, guaranteeing coverage of healthcare expenses with no gap in coverage in the event of a change in circumstances.<sup>7</sup> However, data from 2015 suggests that France has a relatively high level of unmet medical needs compared

<sup>4</sup> SFIL Corporate Responsibility Report, February 2018

<sup>5</sup> Excerpts from France's Public Healthcare Code are available here:

<https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072665&idArticle=LEGIARTI000006686891&dateTexte=&categorieLien=cid> ;

<https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072665&idArticle=LEGIARTI000006685741&dateTexte=&categorieLien=cid> ;

<https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072665&idArticle=LEGIARTI000006685744&dateTexte=&categorieLien=cid>

<sup>6</sup> France's Public Healthcare Code

<https://www.legifrance.gouv.fr/affichCodeArticle.do?idArticle=LEGIARTI000024462629&cidTexte=LEGITEXT000006072665>

<sup>7</sup> The French Government, The French Social Security System, I - Health, maternity, paternity, disability, and death:

[http://www.cleiss.fr/docs/regimes/regime\\_france/an\\_1.html](http://www.cleiss.fr/docs/regimes/regime_france/an_1.html)

to other EU member states,<sup>8</sup> showing that 6.3% of people reported unmet needs for healthcare such as medical examinations or treatment.<sup>9</sup> The population groups with greater unmet needs in the EU include people with lower incomes, the elderly, or those who have less education<sup>10</sup> and people living in remote areas.<sup>11</sup> Since the French public healthcare system is open to the entire French population and given that the French law requires public hospitals to provide healthcare services across all French regions including the most isolated areas, Sustainalytics is of the opinion that the use of proceeds for improvements in public healthcare services will provide a meaningful contribution to France’s healthcare system. As such, it will help ensure adequate provision of universal health services, social cohesion, and will contribute to serving populations with unmet needs, in line with France’s National Healthcare Strategy 2018-2022.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This social bond mainly advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Health Loan Portfolio	3. Good Health and Well-being for People	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

**Conclusion**

SFIL has developed a Social Note Framework under which it intends to issue social bonds and use the proceeds to finance or refinance the debt of a Health Loan Portfolio consisting of all public hospitals originated by SFIL Group since 2013. While the proceeds are not used on a project basis, Sustainalytics considers that SFIL’s Eligible Health Loan Portfolio will have a positive social impact and provide meaningful support to France’s healthcare system in accordance with France’s National Healthcare Strategy 2018-2022.

Based on the above, Sustainalytics considers that SFIL is well positioned to issue social bonds and that the SFIL Group Social Note Framework is credible, robust and aligns with the four pillars of the Social Bonds Principles.

<sup>8</sup> European Commission, Expert Panel on Effective Ways of Investing in Health, Access to health services in the European Union, published May 2016: [https://ec.europa.eu/health/expert\\_panel/sites/expertpanel/files/015\\_access\\_healthservices\\_en.pdf](https://ec.europa.eu/health/expert_panel/sites/expertpanel/files/015_access_healthservices_en.pdf)

<sup>9</sup> European Commission, Benchmarking Access to Healthcare in the EU, 2018: [https://ec.europa.eu/health/expert\\_panel/sites/expertpanel/files/docsdire/opinion\\_benchmarking\\_healthcareaccess\\_en.pdf](https://ec.europa.eu/health/expert_panel/sites/expertpanel/files/docsdire/opinion_benchmarking_healthcareaccess_en.pdf)

<sup>10</sup> EuroStat 2017, "Unmet health care needs statistics.": [http://ec.europa.eu/eurostat/statistics-explained/index.php/Unmet\\_health\\_care\\_needs\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unmet_health_care_needs_statistics)

<sup>11</sup> European Commission, Benchmarking Access to Healthcare in the EU, 2018: [https://ec.europa.eu/health/expert\\_panel/sites/expertpanel/files/docsdire/opinion\\_benchmarking\\_healthcareaccess\\_en.pdf](https://ec.europa.eu/health/expert_panel/sites/expertpanel/files/docsdire/opinion_benchmarking_healthcareaccess_en.pdf)

## Appendices

### Appendix 1: Social Bond/ Social Bond Programme -External Review Form Section 1. Basic Information

Issuer name:	SFIL or CAFFIL
Social Bond ISIN or Issuer Social Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	SFIL Group Social Note Framework
Review provider's name:	Sustainalytics
Completion date of this form:	24 January 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	January 2019, originally published July 2018

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify)</i> :                        |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Executive Summary above.

## Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

### 1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The use of proceeds category of the SFIL Group Social Note Framework (a Health Loan Portfolio consisting of all the public hospital loans originated by the company since 2013) is recognized as socially impactful by the Social Bond Principles. While the proceeds will not be used on a project basis, Sustainalytics considers the use of proceeds in hospitals to be impactful, especially given the SFIL's consideration of the healthcare added value of the public hospital in the selection process of eligible loans.

#### Use of proceeds categories as per SBP:

- |  |   |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure   | <input checked="" type="checkbox"/> Access to essential services                        |
| <input type="checkbox"/> Affordable housing  | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security   | <input type="checkbox"/> Socioeconomic advancement and empowerment                      |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other <i>(please specify)</i> :                                |

If applicable please specify the social taxonomy, if other than SBPs:

### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

SFIL established an internal two-step credit analysis as well as an internal scoring methodology which the company applies to all public hospital loans in order to assess the Healthcare Added Value and credit worthiness of a given public hospital prior to approving the specific loan. The selection process is executed by SFIL's Head of Investor Relations and the Treasury & Financial Markets Management SFIL confirmed that the Credit Risk Committee, comprising the CEO, CFO, CRO and internal audit committee, reviews all credit risk procedures and methodologies used to assess the Healthcare Added Value and credit worthiness of the loans. Sustainalytics considers this approach to be in line with market practices.

#### Evaluation and selection

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Social Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available        | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

#### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

SFIL will track its social bond proceeds internally through a register established to monitor its entire Health Loan Portfolio. SFIL will manage the bond proceeds as a portfolio and has confirmed that the total outstanding amount of the social bond proceeds will always be lower than the size of the Health Loan Portfolio. Pending full allocation of the funds, SFIL will invest the unallocated proceeds as per the company's treasury policy. Moreover, SFIL confirmed that an auditor will provide an annual confirmation of the social bond proceeds' allocation in line with the framework's eligibility criteria. Sustainalytics considers this process to be aligned with market practices.

#### Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Social Bond proceeds segregated or tracked by the issuer in an appropriate manner         |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |

#### Additional disclosure:

- |  |   |
|--|---|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                  | <input type="checkbox"/> Allocation to a portfolio of disbursements                     |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                               |



#### 4. REPORTING

Overall comment on section (if applicable):

SFIL commits to providing allocation reporting on an annual basis until proceeds are fully allocated and on a timely basis in case of material changes. The allocation report will provide relevant transaction information such as the total amount of proceeds allocated to the Health Loan Portfolio or others. This process is in line with market practices. With regards to impact reporting, SFIL will provide data on an annual basis including the hospital capacity generated (in number of spaces and beds) and the number of hospital stays. Sustainalytics views positively SFIL's efforts to provide relevant and quantifiable impact metrics and encourages the company to ensure that its impact report is published on a regular basis.

#### Use of proceeds reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

#### *Information reported:*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts   | <input type="checkbox"/> Social Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): <i>the number of loans in the Health Loan Portfolio and the average loan life.</i> |   |

#### *Frequency:*

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

#### Impact reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

#### *Frequency:*

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

#### *Information reported (expected or ex-post):*

- |  |   |
|--|---|
| <input type="checkbox"/> Number of beneficiaries   | <input type="checkbox"/> Target populations |
| <input checked="" type="checkbox"/> Other ESG indicators ( <i>please specify</i> )<br>hospital capacity generated (in number of spaces and beds) and the number of hospital stays: |   |

**Means of Disclosure**

- |   |   |
|---|---|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents   | <input type="checkbox"/> Other (please specify):                        |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |   |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)**

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

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**ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE SBP**

- i. **Second Party Opinion:** An institution with social expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Social Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Social Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognised external social standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Social Bond Scoring/Rating:** An issuer can have its Social Bond, associated Social Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.

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As the Opinion is based on information made available by the client, Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date.

Nothing contained in this Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. Furthermore, this Opinion shall in no event be interpreted and construed as an assessment of the economic performance and credit worthiness of the bond, nor to have focused on the effective allocation of the funds’ use of proceeds.

The client is fully responsible for certifying and ensuring its commitments` compliance, implementation and monitoring.

## Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. Global Capital named Sustainalytics the "Most Impressive Second Party Opinion Provider in 2017". In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

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