

SECOND PARTY OPINION

on the sustainability of VINCI's Green Bond Framework

Vigeo Eiris is of the opinion that VINCI's Green Bond Framework is **aligned** with the four core components the Green Bond Principles 2018 ("GBP").

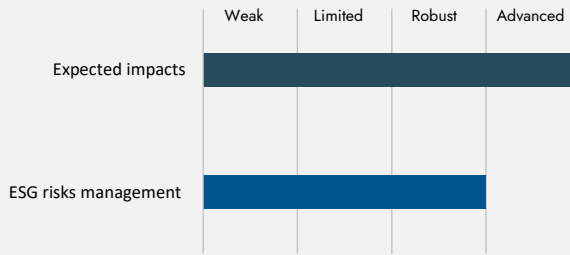


Framework

Contribution to Sustainability :



- Advanced
- Robust
- Limited
- Weak



SDG Mapping



Characteristics

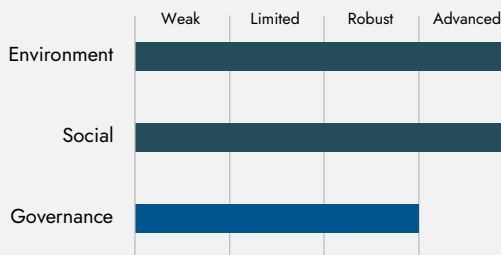
Green Project Categories	⇒ Green Buildings ⇒ Energy Efficiency technologies ⇒ Renewable energies ⇒ Clean Transportation ⇒ Innovation ⇒ Preservation of biodiversity
Project locations	Worldwide
Existence of framework	Yes
Look back period	3 calendar years

Issuer

ESG Performance as of May 2020



- Advanced
- Robust
- Limited
- Weak



Controversies

Number of controversies	7
Frequency	Occasional
Severity	High
Responsiveness	Reactive

Controversial Activities

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

Coherence

Coherent
Partially coherent
Not coherent

We are of the opinion that the contemplated Green Bonds are coherent with VINCI's strategic sustainability priorities and sector issues and contribute to achieving the Issuer's sustainability commitments.

Keys findings

Use of Proceeds

- The Eligible Categories are clearly defined.
- The Environmental Objectives are clearly defined.
- The Expected Benefits are clearly defined.
- The Issuer has provided information on the estimated share of refinancing at bond level and has set a maximum look-back period of 3 calendar years.

Evaluation and Selection

- The process for Evaluation and Selection is clearly defined and the process for selection is publicly disclosed in the framework.
- The Eligibility Criteria (Selection & exclusion) are clearly defined for all Eligible Categories.
- The Identification and Management of Environmental and Social Risks is formalized and combines monitoring and identification commitments and measures.

Management of Proceeds

- The Management Process for the allocation of proceeds is clearly defined, detailed and publicly available.
- The Allocation Period has been disclosed.
- The net proceeds of the Bond will be tracked by the Issuer in an appropriate manner and attested to in a formal internal process.

Reporting

- The Issuer has committed to report annually and until full allocation. The report will be publicly available and will cover relevant information related to the allocation of Bond proceeds and to the expected green benefits of the categories.
- The process and responsibility for reporting on the Bonds are clearly defined and are publicly available in the hereby SPO.
- The Issuer will report on the allocation of proceeds and on green benefits at bond and eligible category level. The indicators selected by the Issuer to report on the allocation of proceeds and on green benefits of the Eligible Categories are clear and relevant. The methodology and assumptions used to report on green benefits of the Eligible Categories will be disclosed to the investors.
- Indicators used to report on the allocation of proceeds and on the green benefits of the Eligible Categories will be verified externally.

Scope of External Reviews

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

Contact

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SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (hereafter “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the Green Bonds¹ (“Bonds”) to be issued by VINCI (the “Issuer”) in compliance with the Green Bond Framework (the “Framework”) created to govern their issuance.

Our opinion is established according to Vigeo Eiris’ Environmental, Social and Governance (“ESG”) exclusive assessment methodology and to the latest version of the ICMA’s Green Bond Principles (“GBP”) - edited in June 2018.

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

- 1) Issuer: we assessed the Issuer’s ESG performance, its management of potential stakeholder related ESG controversies and its involvement in controversial activities.
- 2) 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 2018.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from Vigeo Eiris’ exclusive ESG rating database, and (iii) information provided from the Issuer, through documents and interviews conducted with the Issuer’s managers and stakeholders involved in the Bonds issuance, held via a telecommunications system.

We carried out our due diligence assessment from June 8th to November 6th, 2020. We consider that we were provided with access to all the appropriate documents and interviewees we solicited. To this purpose we used our reasonable efforts to verify such data accuracy.

¹ 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 Vigeo Eiris.

PART. 1: FRAMEWORK

The Issuer has described the main characteristics of the Bonds within a formalised Green Bond Framework which covers the four core components of the GBP 2018 (the last updated version was provided to Vigeo Eiris on November 2nd, 2020). The Issuer has committed to make this document publicly accessible on VINCI's website on the Bonds' issuance date, in line with good market practices.

Alignment with the Green Bond Principles

Vigeo Eiris is of the opinion that VINCI's Green Bond Framework is aligned with the four core components of the Green Bond Principles 2018.



- **Use of Proceeds:** Vigeo Eiris is of the opinion that VINCI's Green Bond Framework is aligned with the Use of Proceeds component of the Green Bond Principles 2018.
- **Evaluation and Selection:** Vigeo Eiris is of the opinion that VINCI's Green Bond Framework is aligned with the Evaluation and Selection component of the Green Bond Principles 2018.
- **Management of Proceeds:** Vigeo Eiris is of the opinion that VINCI's Green Bond Framework is aligned with the Management of Proceeds component of the Green Bond Principles 2018.
- **Reporting:** Vigeo Eiris is of the opinion that VINCI's Green Bond Framework is aligned with the Reporting component of the Green Bond Principles 2018.

Contribution to Sustainability

The potential contribution of the eligible categories to environmental objectives is expected to be advanced.

Expected Impacts

The potential positive impact of the eligible projects on environmental objectives is advanced.

ESG Risks Management

The identification and management of the environmental and social risks associated with the Eligible Projects is considered robust.



Alignment with the Green Bond Principles

Use of Proceeds



The net proceeds of the Operations will exclusively finance or refinance, in part or in full, projects falling under six Green Project Categories (“Eligible Categories”), as indicated in table 1.

- The **Eligible Categories** are clearly defined. The Issuer has provided the nature of the expenditures, the description of the projects, eligibility and exclusion criteria. The Issuer has not defined the location for all project categories, as VINCI operates in 100 countries, but has provided the country location for the projects already identified for the first issuance. The Issuer has committed to provide the location at least at regional/country level for all project categories before each Issuance.
- The **Green Objectives** are clearly defined, relevant, and set in coherence with sustainability objectives defined in international standards for all Eligible Categories.
- **The Expected Green Benefits** are clear and precise for all Eligible Categories. The expected green benefits identified are relevant, measurable and will be quantified for all of the Eligible Categories in the post-issuance Reporting.
- The Issuer has provided information on the **estimated share of refinancing** at bond level and has set a maximum **look-back period** of 3 calendar years prior to the issuance. The Issuer has committed to communicate the estimated share of refinancing prior to each Issuance. An area for improvement consists in limiting the look-back period to a maximum of 36 months to be in line with market practices.

Table 1: Eligible Categories, Sustainability Objectives and Expected Benefits

ELIGIBLE CATEGORIES	SUSTAINABILITY OBJECTIVES AND BENEFITS	VIGEO EIRIS’ ANALYSIS
Green Buildings	Climate change mitigation GHG emissions reduction	The definition of this category is clear. The intended green objective is defined and relevant. The expected benefit is defined, measurable and will be assessed.
Energy Efficiency technologies	Climate change mitigation GHG emissions reduction	The definition of this category is clear. The intended green objective is defined and relevant. The expected benefit is defined, measurable and will be assessed.
Renewable Energies	Climate change mitigation GHG emissions reduction	The definition of this category is clear. The intended green objective is defined and relevant. The expected benefit is defined, measurable and will be assessed.









Clean Transportation	Climate change mitigation GHG emissions reduction	The definition of this category is clear. The intended green objective is defined and relevant. The expected benefit is defined, measurable and will be assessed.
Innovation	Climate change mitigation GHG emissions reduction	The definition of this category is clear. The intended green objective is defined and relevant. The expected benefit is clearly defined.
Preservation of biodiversity	Biodiversity preservation Conservation of protected species Implementation and monitoring of environmental compensation measures	The definition of this category is clear. The intended green objective is defined and relevant. The expected benefits are clearly defined.

BEST PRACTICES

⇒ Relevant environmental benefits are identified and measurable for all project categories.

SDG Contribution

The Eligible Categories are likely to contribute to five of the United Nations' Sustainable Development Goals ("SDGs"), namely: "Affordable and Clean Energy", "Industry, Innovation and Infrastructure", "Sustainable Cities and Communities", "Climate Action" and "Life on Land".

ELIGIBLE CATEGORIES	SDG	SDG TARGETS
		<p>9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities</p>
<p>Green Buildings</p> <p>Innovation</p>		<p>11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p>
		<p>The Assets are likely to contribute to SDG 13 which consists in adopting urgent measures to combat climate change and its effects.</p>
<p>Energy Efficiency technologies</p>		<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency.</p>
<p>Renewable Energies</p>		<p>The Assets are likely to contribute to SDG 13 which consists in adopting urgent measures to combat climate change and its effects.</p>
<p>Clean Transportation</p>	 	<p>11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p> <p>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</p> <p>The Assets are likely to contribute to SDG 13 which consists in adopting urgent measures to combat climate change and its effects.</p>
<p>Preservation of biodiversity</p>		<p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.</p>

Project Evaluation and Selection



The governance and the process for the evaluation and selection of the Eligible Projects are formalised in the Framework and in internal documentation.

- The process for **Evaluation and Selection** has been clearly defined and detailed by the Issuer in its Framework. Additionally, the roles and responsibilities for project evaluation, selection and monitoring are clearly defined and include relevant internal expertise.
- The **Eligibility Criteria** for asset selection are clearly defined for all Eligible Categories.
- The Issuer's commitment and measures related to the **management of material E&S risks** combine monitoring and identification. Material ESG risks are identified for all Eligible Categories.

Evaluation and Selection Process

The process for project evaluation and selection has been clearly defined by the Issuer.

The roles and responsibilities for project evaluation and selection are clearly defined and include relevant internal expertise: for the purpose of the Bonds, a Green Bond working group ("the working group") has been created. This working group is composed of representatives of:

- the Treasury Department;
- the CSR Department;
- any relevant business lines among VINCI and its subsidiaries involved in the selection of Eligible Projects Portfolio.

The working group is responsible for:

- Identifying the portfolio in a bottom-up approach. The selected pool is validated by the CSR Department and the Treasury Department.
- Monitoring & reporting, with a focus for the CSR Department on extra-financial data and for the Treasury Department on financial data.
- Verifying the compliance of the selected portfolio of Eligible Projects with the Eligibility Criteria defined in the Framework.
- Monitoring the Eligible Projects portfolio during the lifetime of the Bonds. The working group will be responsible for replacing an Eligible Green Project if it no longer meets the eligibility criteria or if the Eligible Project has matured.
- Upgrading the Green Bond Framework.
- Monitoring potential controversies and ensuring the Eligible Projects are not involved in any material controversies.

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

- The working group will meet at least once a year, before each issuance, to evaluate and select each project eligible for a Green Bond issuance and in case of controversy.
- Meeting minutes will be written for each meeting of the Green Bond working group.

An area for improvement consists in having external reviews, in order to verify the compliance of the selected Green Portfolio of projects, with the eligibility criteria and process defined in the Framework.

Eligibility Criteria Selection

The process relies on explicit eligibility criteria, relevant to the environmental objectives defined for the Eligible Categories.

- The selection is based on the Eligible Categories defined in the Use of Proceeds section of the Framework.

Transparency of the Environmental and Social Risks Mitigation Process

The E&S risks identification and mitigation process is publicly disclosed in the Framework and annual report and is considered robust (see detailed analysis on pages 14 to 17).

BEST PRACTICES

- ⇒ Eligibility and exclusion criteria for project selection are clearly defined and detailed for all of the eligible categories
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the projects/assets throughout the life of the bonds and has provided details on frequency, content and procedures in case a controversy is found on a project.

Management of Proceeds



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

- The **Management Process for the allocation** of proceeds is clearly defined, detailed and publicly available. The allocation period is 12 months or less.
- Net proceeds of the Bonds will be credited to the Issuer's general treasury, tracked by the Issuer in an appropriate manner and attested in a formal internal process.
- The **intended type of temporary placement** for the balance of the unallocated net proceeds is publicly disclosed. The Issuer has declared that temporary investments will be deposited in cash, deposits and money market instruments or SRI Investment. An area for improvement consists in excluding GHG intensive activities, controversial activities, or activities facing material ESG issues.

Management Process

The allocation and management of the proceeds are clearly defined and detailed:

- The net proceeds of the Bonds will be credited to the Issuer's general treasury liquidity portfolio.
- The proceeds will be allocated to disbursements for Eligible Projects.
- The unallocated funds would be held within VINCI's treasury and may temporarily be invested in accordance with VINCI's investment guidelines in cash, deposits and money market instruments or SRI Investment.

- In case of projects postponement, cancelation, divestment or ineligibility, or in case an Eligible Project has matured, the Issuer has committed to replace the no longer Eligible Project by a new Eligible Project within 36 months.

Traceability and Verification

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

- The working group is responsible for verifying that the net proceeds match the Green Portfolio until the Bonds' maturity date.
- The proceeds will be appropriately managed and tracked by the working group using an internal accounting system. An internal audit process will track and monitor the net proceeds allocation and management.
- An independent third party will verify the Eligible Project Portfolio's outstanding amount once a year and until full allocation.

BEST PRACTICES

⇒ The allocation period is 12 months or less

Monitoring & Reporting



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

- The Issuer has **committed to report annually and until full allocation**. The report will be publicly available and will cover relevant information related to the allocation of Bond proceeds and to the expected green benefits of the categories. An area for improvement consists in reporting on environmental benefits until bond maturity.
- The **process and responsibility for reporting** on the Bonds are clearly defined and will be publicly available in the hereby SPO.
- The Issuer will report on the **allocation of proceeds and on green benefits** at bond and eligible category level. The **indicators selected** by the Issuer to report on the allocation of proceeds and on green benefits of the Eligible Categories are clear and relevant. The **reporting methodology and assumptions** used to report on green benefits of the Eligible Categories will be disclosed to the investors.
- Indicators used to report on the allocation of proceeds and on the green benefits of the Eligible Categories **will be verified externally**.

Reporting Process

The processes for monitoring, data collection, consolidation, validation and reporting are clearly defined by the Issuer in internal documentation. An area for improvement is formalising these processes in the Framework.

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

- The reporting process (data collection, consolidation & validation) is ongoing to complement the existing extra-financial reporting system
- The working group is in charge of monitoring & reporting, with a focus on the Environment department for extra-financial data and the Finance department for financial data.

The Issuer has committed to report annually and until the full allocation of the Bonds, and later in case of material changes, through the annual Reports which will be made publicly available on its website². The reporting will be at Bond and category levels.

Indicators

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

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

REPORTING INDICATORS
⇒ Breakdown of the amount allocated by project categories
⇒ Share of financing and refinancing (%)

² <https://www.vinci.com/vinci.nsf/en/finance-documentation-financial-transactions/pages/index.htm>

- ⇒ Amount of unallocated proceeds and types of temporary placement, if any
- ⇒ The share of co-financing (%)

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

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Green Buildings	Energy performance level and/or year of construction of the acquired buildings ³ Certification type and year Estimated expected energy performance level of the financed asset (kWh/m ² /year)	Annual energy savings of renovated buildings (% of MWh/year)
Energy Efficiency technologies		Expected and Actual energy savings (% of MWh in total and per year)
Renewable Energies	Installed, stored or connected capacity (MW)	Annual power output (MWh/year)
Clean Transportation	Number of charging points installed Number of vehicles financed (electric and hybrid passenger vehicles) Number of vehicles financed (heavy duty vehicles)	Electric rail lines' modal shift: Number of passengers per km. and/or goods in tons per km.
Innovation	Number of research studies specifications with potential impact Expected MWh reduction per year	Expected in tCO ₂ e/year avoided
Preservation of biodiversity	Number of projects financed Number of environmental measures in place Number of Ha of environmental compensation measures	Quantified estimated impact of implemented measures on the conservation of protected species

Process for controlling monitoring & reporting

The Issuer will appoint an external auditor to verify allocation of proceeds and environmental benefits on an annual basis, and until the proceeds' full allocation.

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 any material development related to the projects, including ESG controversies.

³ The definition of the top 15% of the most carbon efficient buildings varies over time and location depending on the energy performance and/or on the year of construction of existing building stock. A reference to an external analysis will be provided by VINCI in its impact report.

- ⇒ The indicators selected by the Issuer are exhaustive with regards to allocation reporting
- ⇒ External verification of E&S benefits & impacts until full allocation

Contribution to sustainability

Expected Impacts

The potential positive impact of the eligible projects on environmental objectives is advanced.

ELIGIBLE CATEGORIES	LEVEL OF EXPECTED IMPACT	
Green Buildings	ADVANCED	The building and construction industry accounts for 36% of final energy use and 39% of energy and process-related CO2 emissions in 2018. Reduction of the energy footprint of buildings is therefore a key environmental issue for construction companies. Although acquisition, construction and renovation of green buildings are all three relevant when tackling climate change and have a positive environmental impact, there are still negative impacts due to construction.
Energy Efficiency technologies	ROBUST	Through Vinci Energies, Vinci is involved in the electricity transmission and distribution sector. Energy efficiency measures and monitoring tools such as smart grids are one of the most important issues in the sector. The projects adopt internationally recognized standards, as they follow the eligibility criteria of the other categories.
Renewable Energies	ADVANCED	The implementation of renewable energies is one of the most important issues in the construction sector. The eligible projects follow the best available technical screening criteria.
Clean Transportation	ADVANCED	VINCI engages in the design, building, finance and management of facilities for transport systems. Including both equipment and infrastructure projects, it has positive impacts on all relevant stakeholders. In addition, the eligible projects follow the best available technical screening criteria.
Innovation	ROBUST	R&D for recycling and management of natural resources is important for the construction sector, which is facing environmental challenges, although it is not the highest priority issue. It is unclear what the technical thresholds and the scope of the projects are. The projects adopt internationally recognized standards, as they follow the eligibility criteria of the other categories.
Preservation of Biodiversity	ADVANCED	Biodiversity protection is a key issue for construction companies. Compensation measures such as reforestation and protection of endangered species have a positive impact on both local and global stakeholders.
OVERALL	ADVANCED	

Relevance of ESG Risks Identification and Management systems in place at project level

ESG risks Materiality of and management

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

ENVIRONMENTAL RISKS

Environmental Strategy - (Environmental Management Systems)

VINCI reports environmental commitments at group level, and in line with the Group's decentralised management structure, these commitments are adapted and monitored at the level of VINCI companies, according to each company's specific needs and context. VINCI reports that 64% of sites and 68% of its sales are covered by Environmental Management Systems. All of VINCI Autoroute's in-service motorways have an ISO 14001 certification. VINCI Airports obtained the ISO 14001 certification for 18 airports, representing 63% of the division's revenue in 2019, and plans to have all of its airports certified by the end of 2020. VINCI reports that most eligible projects will be managed under an Environmental Management System. In the remaining cases, the project manager is responsible for the management of environmental issues, in line with VINCI's group level environmental commitment, requirements and reporting. An area for improvement consists in ensuring that all the eligible projects would fall under an Environmental Management System.

Moreover, VINCI companies use scientific scenarios predicting a 50 cm rise in sea levels by 2050, according to the Intergovernmental Panel on Climate Change (IPCC). VINCI conducted an internal study to assess the impacts of extreme weather events on the Group's business. Due to their growing frequency, these events are managed at each stage of a project. The Issuer has set up a diagnosis tool to assess the risks to climate change linked to its projects. In addition, these risks are covered under VINCI's internal risks committee procedures.

Environmental Impact Assessment and Eco-design

VINCI has an internal environmental reporting system to monitor its environmental performance, based on the standards of the Global Reporting Initiative's Sustainability Reporting Guidelines. The reporting methods are publicly disclosed in its Annual Report. Each business line has its own management indicators in addition to the central reporting system. For 2019, environmental reporting covered 96% of total revenue generated. VINCI has also developed an internal tool to measure each project's carbon footprint called the CO₂NCERNED methodology, which is deployed in all Group business lines, and follows life cycle analysis tools. The Issuer has committed that life cycle assessments are conducted for renewable energy and energy efficiency projects which are subject to eco design at the various stages of their life cycle. For mobility, the life-cycle steps include the extraction of resources, transformation, use, and end-of-life. For electric vehicles, a specific emphasis has been made on cobalt resources and on the end-of-life and potential re-use of the worn-out batteries. For photovoltaic panels, a life cycle assessment comparison has been made and is considered in the final choice made by the Issuer's clients. VINCI commits to an eco-design approach that considers the construction, operation and end-of-life phases to compare and select the most appropriate technologies during the design phase. In addition, VINCI refers to the BBC (label on the energy efficiency of buildings), HQE, BREEAM and LEED standards. On circular economy, VINCI includes this in its environmental strategy, promoting responsible sourcing in construction, improving waste recovery and limiting the extraction of virgin materials.

Furthermore, the Issuer has stated that a strong emphasis has been put on ESG criteria for the selection of start-ups as well as intrapreneurs projects. Contribution to VINCI's environmental ambition is part of the selection process. A general assessment of start-ups is made including the compliance with VINCI's Manifesto (which integrates for instance human rights, safety and business ethics).

Environmental/Industrial accident and Waste management

The Issuer has set up internal management systems to prevent accidents including emergency plans and internal audit systems to ensure their application by local entities. Environmental incident prevention plans are updated regularly by

these entities in response to their specific environmental risks in accordance with VINCI's duty of vigilance plan. Moreover, VINCI Concessions has set a target of zero waste to landfill by 2030, by focusing on the following actions: reducing waste at the source, improving waste sorting to recover waste more efficiently, with priority on materials recovery over energy recovery, building on-site sorting facilities when not available locally and installing on-site treatment systems (incinerators, autoclaves) when no other solution is available locally.

Furthermore, VINCI Group reports a plan to prevent negative environmental impacts of its business activities, in accordance with French regulations. This prevention policy covers a majority of impacts such as the water use of buildings, waste management in buildings and the participation to the development of a green infrastructure. The company is committed to reducing the water consumption resulting from its buildings, especially in areas of water stress. VINCI Construction has introduced a wastewater recycling policy in France. Additionally, VINCI is committed to the preservation and rehabilitation of ecological continuity in urban settings. VINCI Concessions has set a target to cut water consumption per unit of traffic by 50%.

Biodiversity

VINCI covers the main relevant impacts of its activities such as the loss or degradation and/or fragmentation of ecosystems and habitats on operation sites and areas surrounding operations and soil erosion. VINCI implemented an exhaustive range of measures to identify its impacts and integrate biodiversity in the management of its operations, including environmental impact assessments and/or risk mapping, training for relevant managers or employees on biodiversity, issuing relevant biodiversity management guidelines for construction sites and monitoring biodiversity indicators. Additionally, VINCI implemented several measures to reduce the impacts at site level such as the creation of new habitats, buffer areas for relocation of disturbed species during operations and deviation for migratory paths, reduce the use of chemicals and pesticides and rehabilitation programmes in surrounding areas. Each entity of the Group prepares and updates environmental incident prevention plans, to respond to their specific environmental risks.

VINCI reports that a biodiversity risk assessment was conducted for every project for which biodiversity was considered as a key issue. In addition, VINCI ParisTech Chair in Eco-design of Building Complexes and Infrastructure created a tool used to assess the biodiversity status of a site prior to the construction. The Issuer has committed that all the relevant categories will fall under the third pillar of VINCI's environmental ambition 2030, meaning integrating biodiversity in all the projects. A biodiversity management plan (including marine biodiversity when required) will be systematically implemented for all the projects from the following categories: green buildings, energy efficiency, renewable energies and clean transportation and subsidiaries have to adopt an environmental management plan on their construction sites that includes biodiversity protection measures.

Minimising GHG emissions

VINCI monitors its GHG emissions and has integrated GHG emission reduction targets in its environmental strategy and commitments. VINCI has set a target to achieve a 30% reduction in direct GHG emissions by 2020 compared to 2009, in terms of carbon intensity in relation to revenue, which represents 71.1 tonnes of CO₂ equivalent. VINCI reports to be on track to meet this target, with a 28.3% decline in 2019 (51.0 tonnes of CO₂ equivalent). In addition, business lines monitor scope 3 emissions, in particular in Concessions, using a methodological tool that has been developed to estimate indirect emissions from VINCI's entities, during the construction and operation phases. VINCI was given the score A- by the Carbon Disclosure Project in 2018 and 2019. The Issuer has stated that GHG emissions are accounted in their internal environmental reporting procedures including SF₆ emissions for Energy Efficiency projects, as a result of which project operators have the requirement to implement SF₆ leakage detection procedure for distribution/transmission projects (including smart grids).

Integration of Environmental and Social factors in the Supply Chain

VINCI integrates its partners and suppliers in its environmental strategy, citing efforts to reduce the environmental impact of suppliers and subcontractors. VINCI has developed an ESG risk questionnaire for suppliers, which includes questions on environmental management systems, GHG emissions, resources and waste management, and prevention of

environmental accidents. Additional environmental information is integrated into the procurement process for certain suppliers. In addition, VINCI has a Supplier Charter, which includes environmental, social and governance commitments, in line with the United Nations Global Compact. VINCI commits to supporting suppliers in improving their environmental and social performance and can verify whether the suppliers have implemented the social and environmental commitments of the Charter.

SOCIAL RISKS

Fundamental Human and Labour Rights

VINCI Group has a Guide on Human Rights, which details its human rights risk prevention policy. The Group has procedures to coordinate and monitor measures and thereby ensure that its commitments and principles are being cascaded to VINCI entities, their projects and their worksites. VINCI has made public commitments to support and protect the rights of people and local communities that may be impacted by its projects and activities. VINCI continuously develops and strengthens its procedures to assess and prevent human rights risks, while also assisting its entities to engage on the issue and find operational solutions. A steering committee is in place since 2015. An analysis of risks and issues has been carried out at corporate level by an independent third party, Business for Social Responsibility (BSR) and audits are performed at site level for priority countries & activities.

The Group's whistleblowing arrangements, available on the Group's intranet, have been further enhanced since January 1st, 2019, with the launch of the VINCI Integrity online whistleblowing platform. This platform makes it possible to collect whistleblowing reports concerning serious infringements of the Group's rules and commitments set out in the reference guides on human rights, health and safety, business ethics and the environment. Information on the Group's system for whistleblowing is also available in the public annual report.

Health and Safety

The Group's health and safety policy, reinforced by a joint declaration of essential actions concerning occupational health and safety, is supervised by the Health and Safety Coordination unit, overseen by the VINCI Executive Committee. The Group's health and safety policy aims to anticipate and prevent risks, including psychosocial risks, to ensure hygiene, health, safety and quality of life in the workplace. The Group also aims to achieve zero accidents, which applies to employees, temporary workers and external staff at VINCI worksites or sites operated by VINCI. This goal is one of the commitments published in VINCI's Manifesto in 2012. In addition to applying rules and procedures, VINCI also works on the continuous development of a prevention and safety culture for all that addresses all types of risk to people's health and safety and is shared at all levels of the organisation, to integrate continuing change in jobs, tools, processes and technologies.

Community Involvement

Studies to measure the socio-economic footprint and impacts of projects or companies have been carried out since 2014 by an external partner, using the Local Footprint® tool developed by Utopies©. The approach used has helped identify the contributions of all VINCI companies to the French economy, covering around 15 industry sectors, and has identified VINCI's involvement in local and regional economies and across its supply chain. This footprint study facilitates dialogue with local and regional stakeholders, public authorities, customers and other key actors, while encouraging discussions on ways to further strengthen VINCI's positive impacts for communities and its employees.

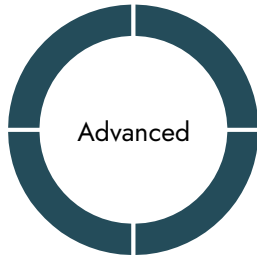
VINCI is present in around 100 countries, with a large potential impact on creating and maintaining local employment around the world. Internationally, and particularly in emerging countries, VINCI Companies' contribute to training and improvements in local skills. Furthermore, dialogue with local stakeholders is integrated in projects, to inform and consult. Examples are provided in VINCI annual reports, published publicly. The grievance mechanism from VINCI is accessible for external parties.

Business Ethics

VINCI is committed to Business Ethics as part of its VINCI Manifesto. This commitment is carried at the highest level of the Group and integrated across all the Group's business lines using a cross-business approach. VINCI has developed two guides: the Code of Ethics and Conduct, setting out the rules of conduct for all Group companies and employees, and the Anti-corruption Code of Conduct, which contains the rules for the prevention of acts of corruption, notably by identifying the corruption risks in business processes and illustrating the behaviours and practices to be avoided. VINCI has an Ethics and Vigilance Department to provide support in implementing the Group's compliance procedures, in particular with regard to the Code of Ethics and Conduct. Measures in place to ensure the implementation are linked to training, whistleblowing system, risk assessment and accounting controls and audits.

	ELIGIBLE CATEGORIES					
	GREEN BUILDING	ENERGY EFFICIENCY	RENEWABLE ENERGIES	CLEAN TRANSPORTATION	INNOVATION	PRESERVATION OF BIODIVERSITY
Environmental Strategy	X	X	X	X	X	X
Environmental Impact Assessment and Eco-design	X	X	X	X	N/A	N/A
Environmental and Industrial accident and Waste management	X	N/A	X	X	N/A	N/A
Biodiversity	X	N/A	X	X	N/A	X
Minimizing GHG and fugitive emissions	X	X	X	N/A	N/A	N/A
Env/Soc factors in the Supply Chain	X	N/A	X	X	X	N/A
Human and Labour Rights	X	X	X	X	N/A	N/A
Health and Safety	X	X	X	X	N/A	N/A
Community Involvement	X	N/A	X	N/A	N/A	N/A
Business Ethics	X	X	X	X	X	X
Overall Assessment	Advanced	Robust	Advanced	Robust	Robust	Robust

PART 2: ISSUER



VINCI SA is a France-based company active in the concessions and construction industry worldwide. It manages three segments: Concessions, Contracting and VINCI Immobilier. Concessions covers the concessions management activities through VINCI Autoroutes (motorways in France), VINCI Airports (airports in France and abroad) and Other concessions (different infrastructures in France and abroad). Contracting comprises VINCI Energies, providing industry services, electrical grid and transport infrastructure, among others; Eurovia, offering building and maintenance of roads, motorways, railways, urban infrastructure, production of asphalt mixes, quarries and VINCI Construction, which designs and constructs buildings, civil engineering infrastructure, specialized civil engineering, water and pipeline infrastructure, among others. Additionally, VINCI Immobilier is active in different kind of property development.

Level of ESG performance/ ESG strategy

The Issuer's ESG performance was assessed through a complete process of rating and benchmark.

As of May 2020, VINCI displays an overall advanced ESG performance, ranking first in our "Heavy Construction" sector which covers 26 companies. We reach a reasonable assurance on VINCI's performance in the Environmental and Social pillar and good in the Governance pillars. (Appendix 2)

ESG STRATEGY AS OF MAY 2020



Management of ESG Controversies

As of today, VINCI is facing 7 stakeholder-related ESG controversies, linked to five of the six domains we analyse:

- Environment, in the criteria of "Biodiversity" and "Protection of Water Resources".
- Human Resources, in the criteria of "Respect and management of working hours".
- Human Rights, in the criteria of "Fundamental Human Rights"; "Fundamental Labour Rights" and "Elimination of child labour and forced labour".
- Business Behaviour, in the criteria of "Product Safety" and "Sustainable Relationships with Suppliers".
- Corporate Governance, in the criteria of "Board of Directors" and "Shareholders".

Frequency: On average, the controversies are considered occasional, in line with the sector.

Severity: On average, the level of severity is high based on the analysis of their impact on the company and its stakeholders. VINCI faces one case of minor severity, one case of significant severity and five cases of high severity. For the cases of high severity, one relates to biodiversity and the protection of water resources, one regarding product safety, one regarding the board of directors and shareholders, one regarding sustainable relationships with suppliers, and one regarding human rights and the Elimination of child labour and forced labour. The Company does not face any critical cases.

Responsiveness: VINCI is overall reactive, in line with the sector: the company is remediative in one case (of high severity), proactive in two cases (of high and minor severity), it is reactive on two cases (of significant and high severity) and is not communicative on two cases (of high severity).

Involvement in Controversial Activities

As of April 2020, VINCI displays involvement in four of the 17 controversial activities screened under Vigeo Eiris methodology, namely:

- Military (*major involvement*): VINCI has an estimated turnover from involvement in military sales which is between 0% and 5% of total turnover. This turnover is derived from key parts or services for weapons, and other military parts and services. The Company subsidiary Cegelec Defense provides repairs and maintenance for naval vessels in France and abroad, including on board integration of equipment and subsystems during construction and refits of surface ships and submarines.
- Alcohol (*minor involvement*): VINCI has an estimated turnover from alcoholic beverages which is less than 5% of total turnover. This turnover is derived from alcohol sold in its airport stores. Through its subsidiary, VINCI Airports, the Company operates 10 airports in Portugal, 11 airports in France and acquired a 50.01 % interest in London Gatwick in May 2019. The portfolio of airports is mostly operated through joint ventures of the Company. The Company also holds a 51% interest stake in Lojas Francas de Portugal (LFP), a joint venture with Dufry, which holds the remaining 49%. LFP operates in airports throughout Portugal, including in Lisbon, Oporto, Faro, Madeira and Azores, and is also present on board of TAP AIR PORTUGAL. It includes duty-free shops selling alcoholic beverages, among other products.
- Nuclear Power (*minor involvement*): VINCI has an estimated turnover of nuclear power plants, which is below 5% of total turnover. The Company's segment VINCI Energies operating within the nuclear sector in France, the United Kingdom and Belgium, primarily offering maintenance and lifespan extension services for nuclear power plants. Additionally, Company subsidiary Nuvia provides services to the nuclear power industry ranging from construction, waste management, and life span extension, and equipment operation.
- Tobacco (*minor involvement*): VINCI has an estimated turnover from tobacco which is less than 5% of total turnover. This turnover is derived from tobacco sold in its airport stores. Through its subsidiary, VINCI Airports, the Company operates 10 airports in Portugal, 11 airports in France and acquired a 50.01 % interest in London Gatwick in May 2019. The portfolio of airports is mostly operated through joint ventures of the Company. The Company also holds a 51% interest stake in Lojas Francas de Portugal (LFP), a joint venture with Dufry, which holds the remaining 49%. LFP operates in airports throughout Portugal, including in Lisbon, Oporto, Faro, Madeira and Azores, and is also present on board of TAP AIR PORTUGAL. It includes duty-free shops selling tobacco products, among other products.

VINCI is not involved in any of the 13 other controversial activities screened under our methodology.

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

PART 3: COHERENCE

Coherent
Partially coherent
Not coherent

We are of the opinion that the contemplated Operations are consistent with VINCI's strategic sustainability priorities and sector issues and contribute to achieving the Issuer's sustainability commitments.

According to the Global Alliance for Buildings and Construction (UN Environment Programme), the building and construction industry accounts for 36% of final energy use and 39% of energy and process-related CO₂ emissions in 2018, making it one of the most CO₂ emitting industrial sectors. In this sense, construction companies must define an exhaustive environmental strategy that addresses both the environmental impacts of their activities and those of the buildings delivered. In particular, companies should strive to include energy-saving features in their buildings. As a result, the Environmental strategy and the reduction of impacts from the use of buildings are key issues for the sector. Companies are expected to increase their efforts to improve energy efficiency throughout their operations. In addition, the complexity and specificities of impacts related to their activities call for specific measures to ensure the appropriate management of social and environmental related risks, namely biodiversity protection, environmental management systems, health and safety and the promotion of responsible relations with the communities where they operate.

We are of the opinion that the contemplated Bond is coherent with VINCI's main sustainability priorities and sectorial issues and contributes to achieve its sustainability commitments.

VINCI engages in the design, building, finance and management of facilities for transport systems, public and private buildings and urban development and water, energy and communication networks. VINCI tracks key trends liable to impact its businesses in the short, medium and long term. The VINCI business strategy addresses main social and environmental trends linked to their operations such as: population growth and social changes in urban areas, globalisation and economic transformation, climate change and the environment, the digital transition and new uses. These changes may involve risks, but also provide opportunities, in particular for the development of eco-efficient solutions.

In 2020, VINCI launched its new environmental strategic plan devoted to identifying actions likely to improve the Group's environmental performance in three areas: greenhouse gas emissions, resource preservation by developing the circular economy and conservation of natural environments. This strategy mobilised all of VINCI's operational entities.

VINCI disclosed decarbonising and waste management targets (all of the targets have been certified 2°C aligned with scenario established in the Paris Climate Agreement). These targets are:

- Reach carbon neutrality by 2050;
- Reduce by 30% its Scope 1 and 2 GHG emissions by 2020 (baseline 2009) and 40% by 2030 (baseline 2018), as concerns direct impacts;
- Roll out the recycling and reuse policy, working materials supply and demand for each activity stream;
- Adopt a "zero net loss" of biodiversity target in the framework of the "Avoid, Reduce, Offset" approach;
- Improve the indirect carbon footprint generated by the activities of suppliers, partners and customers;
- Development of earthworks techniques that reduce the quantity of water required to sprinkle vehicle tracks by 40%;
- VINCI Airports entity is committed to assessing biodiversity issues at all of its airport sites by 2020;
- VINCI Concessions has set a target to cut water consumption per unit of traffic by 50%.

In order to meet these targets to reach carbon neutrality commitments, VINCI has identified four main activities with specific investment programmes on each regard:

1. Vehicles and site machinery
 - Accelerated replacement of light and utility vehicle fleets by electric or less carbon-intensive vehicles
 - Experimentation with hydrogen and biogas-type fuels for utility vehicles
 - Replacement of part of the site machinery fleet by hybrid machinery, promotion of eco-driving practices and installation of continuous consumption-tracking sensors
2. Buildings
 - Conduct of diagnostic studies on the Group's operational buildings inventory with a view to introducing energy efficiency actions: renovation, LED relamping, temperature regulation
 - Anticipation of regulations through the eco-design of buildings approaches
 - Development of high energy and environmental performance worksite facilities, notably timber-based
3. Energy transformation
 - Replacement of heavy fuel oil and coal by natural gas or renewable-source gas in asphalt-mixing plants
 - Replacement of the fossil energy used in binder storage facilities by electricity
 - Installation of photovoltaic power plants for electricity self-consumption in airports
4. Preservation of natural environments
 - Replacement of plant protection products by mechanical or powered weed-cutters
 - Tracking of water consumption through across-the-board installation of individual meters

By issuing a Bond, in line with its Green Bond Framework, to finance and refinance green buildings, energy efficiency projects, renewable energies, clean transportation, innovation and the preservation of biodiversity, VINCI coherently aligns with its sustainability strategy and commitments, and addresses the main issues of the sector in terms of sustainable development.

APPENDIX 1 – ELIGIBLE CATEGORIES

CLIENT'S FRAMEWORK		
ELIGIBLE CATEGORY	DEFINITION AND ELIGIBILITY CRITERIA	OBJECTIVES AND BENEFITS
Green Buildings	<ul style="list-style-type: none"> - Acquisition of buildings belonging to the top 15% of the most efficient buildings in their respective countries - Construction of building with the following certifications (or any equivalent): <ul style="list-style-type: none"> • LEED Gold or above • BREEAM Very Good or above • HQE Very Good or above - Renovation of buildings to reach an energy efficiency improvement of at least 30% of energy savings 	<p>Climate change mitigation</p> <p><i>GHG emissions reduction</i></p>
Energy Efficiency technologies	<ul style="list-style-type: none"> - Any technologies resulting in substantial reductions in GHG emissions reductions or energy consumption compared to the best performing alternative technology on the market, such as: <ul style="list-style-type: none"> • Smart grids technologies • VINCI research and development program aims at developing technologies allowing to reach the eligibility criteria of one of the Eligible Project Categories defined in this Framework, and which focus primarily on urban development, sustainable mobility, digital transition and energy performance of buildings and infrastructure. These R&D projects have to meet the eligibility criteria of one of the other categories. 	<p>Climate change mitigation</p> <p><i>GHG emissions reduction</i></p>
Renewable Energies	<ul style="list-style-type: none"> - Wind energy - Solar energy - Production of electricity from Biomass with direct emissions below 100 gCO₂e/kWh and provided that the feedstock does not originate from fields on reconverted carbon sinks or high biodiversity areas and produced from advanced feedstocks⁴. - Storage of Green Hydrogen⁵ - Transmission and Distribution lines in systems on a trajectory towards decarbonisation⁶ 	<p>Climate change mitigation</p> <p><i>GHG emissions reduction</i></p>
Clean Transportation	<ul style="list-style-type: none"> - Charging points for electric vehicles - Electric and hybrid passenger vehicles with GHG emissions below 50 gCO₂/km - Heavy duty vehicles with zero or low-direct emissions⁷ - Investments related to new electric rail lines and electric rail lines extensions, including high speed lines 	<p>Climate change mitigation</p> <p><i>GHG emissions reduction</i></p>

⁴ As defined in Part A of Annex IX of Directive (EU) 2018/2001

⁵ Green Hydrogen defined as meeting all three thresholds of the EU Taxonomy: GHG Emissions below 5.8tCO₂e/t Hydrogen, Electricity use below 58MWh/t Hydrogen and carbon intensity of the electricity used below 100gCO₂e/kWh

⁶ Systems on a trajectory towards decarbonisation are defined as systems whose average carbon intensity is below 100 gCO₂e/kWh or where more than 67% of newly connected generation capacity has an intensity below 100 gCO₂e/kWh

⁷ Defined as vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels as defined in Art. 2 (34), (36) and (37) of the Directive (EU) 2018/2001 or vehicles 50% below the reference CO₂e emissions based on the monitoring data as per Regulation (EU) 2018/956

CLIENT'S FRAMEWORK		
ELIGIBLE CATEGORY	DEFINITION AND ELIGIBILITY CRITERIA	OBJECTIVES AND BENEFITS
Innovation	<ul style="list-style-type: none"> - Start-up and intrapreneurs' programme aiming at developing technologies allowing to reach the eligibility criteria of one of the Eligible Project Categories defined in this Framework, such as: <ul style="list-style-type: none"> • Leonard acceleration program for start-ups specializing in construction, mobility, real estate, retail and sustainable cities • VINCI research and development program which focus primarily on the recycling and management of resources and materials 	<p>Climate change mitigation</p> <p><i>GHG emissions reduction</i></p>
Preservation of biodiversity	<ul style="list-style-type: none"> - Biodiversity protection and preservation - Investments beyond regulation obligations, to ensure the preservation of natural species habitats (e.g creation of natural environments favourable to protected species, reforestation etc.) 	<p>Biodiversity Preservation</p> <p><i>Conservation of protected species</i></p> <p><i>Implementation and monitoring of environmental compensation measures</i></p>

APPENDIX 2 – ISSUER ESG PERFORMANCE

DOMAIN	COMMENTS	OPINION
Environment	<p>We reach a reasonable assurance on VINCI's capacity to integrate relevant environmental factors in its strategy.</p> <p>The Issuer displays a comprehensive environmental strategy in its Code of Ethics and Conduct, supported with quantifying targets. Additionally, the Issuer reports that 64% of its sites are certified ISO 14001 (with the integration of other Concessions since 2015), 61% of its workforce are covered by a certified environmental management system, 50% of its production sites are covered by a certified environmental management system (or percentage of Eurovia production from quarries owned that is covered by ISO14001) and 68% of its sales is covered by a certified environmental management system (The global revenue taken into account is with VINCI Immobilier).</p> <p>On biodiversity, VINCI discloses a commitment regarding this issue and covers the main relevant impacts of its activities such as loss or degradation and fragmentation of ecosystems and habitats on operational sites its surrounding, and soil erosion. Additionally, the Issuer has implemented an exhaustive range of measures to identify its impacts and integrate biodiversity such as environmental impact assessment, risk mapping, trainings for employees and monitoring KPI's regarding biodiversity.</p> <p>On minimising environmental impacts from energy use, the Issuer disclosed a target to reduce by 30% its Scope 1 and 2 GHG emissions by 2020 (baseline 2009) and to reduce by 40% its Scope 1 and 2 GHG emissions by 2030 (baseline 2018). VINCI also commits to an alignment with the 2050 carbon neutrality commitment made by France as part of the Paris Climate Agreement.</p> <p>On the management of environmental impacts from the use of buildings and installations, the Issuer disclosed a commitment to limiting impacts related water use of buildings, waste management in buildings and participates on the development of a green infrastructure. Furthermore, VINCI Concessions has set a target to cut water consumption per unit of traffic by 50%.</p> <p>On environmental factors in supply chain, VINCI disclosed significant measures such as the integration of environmental issues into contractual clauses, supply chain, environmental risk assessment tool, supplier support and non-compliance procedures for suppliers. Additionally, environmental audits are carried out for subcontractors.</p> <p>On waste management the Issuer disclosed a weak performance with measures such as monitoring systems and significant programmes to reduce its impact. However, the Issuer KPI's regarding non-hazardous and hazardous waste and recycling attained a negative performance over the past three years (2017-2019).</p>	Advanced
		Robust
		Limited
		Weak
Social	<p>We reach a reasonable assurance on VINCI's capacity to integrate relevant social factors in its strategy.</p> <p>VINCI's performance in the Human Rights domain is advanced. VINCI reports a formalised commitment to respect and promote human rights in society in its Guide on Human Rights as well as in its Code of Ethics and Conduct. Additionally, the Issuer has set up a permanent system, with third-party involvement, to ensure the respect and promotion of human rights. Regarding freedom of association, on-site audits are</p>	Advanced

	<p>conducted with the participation of trade union representatives. VINCI report monitoring labours rights risks in high-risk countries such as Qatar. On diversity, VINCI disclosed awareness campaigns and training are reportedly organised. The share of women in management positions has increased over the past five years.</p> <p>VINCI's performance in the Human Resources domain is advanced. VINCI has allocated extensive measures to address health and safety issue such as training, internal monitoring, internal audits in the majority of its operations and OHSAS 18001 certifications. In terms of labour relations, VINCI disclosed that 75% of employees were covered by a collective agreement in 2017 and 12% of its collective agreements are outside of France (19% in 2018). However, the Issuer does not report updated data regarding this issue.</p> <p>VINCI's performance in the Community Involvement domain is advanced. VINCI disclosed a commitment to the employment and training of local personnel and the hiring of local suppliers for the sourcing of materials. Public procurement contracts in France include social integration clauses requiring the recruitment of the long-term unemployed. In Africa and Cambodia, VINCI reports supporting local social entrepreneurship. VINCI reports systematically consulting local stakeholders since the earliest project stages. In addition, grievance mechanisms are elaborated at project level. Concerning tax transparency, VINCI reports taxes paid in France, where it generated more than 50% its revenues in 2019.</p> <p>VINCI's performance regarding Responsible Customer Relations is limited. The Issuer refers to responsible contractual agreements in its Annual Report. VINCI states that its objective is to build relationships founded on trust with its customers. The majority of VINCI's customers are public authorities or companies: Public sector or quasi-public customers generated more than 33% of VINCI's revenue in 2019. The Issuer does not disclose KPI's regarding this issue.</p>	Robust
		Limited
		Weak
Governance	<p>We reach a robust assurance on VINCI's performance in the Governance pillar.</p> <p>The roles of Chairman and CEO are combined and there is no senior independent director. Only 23% of board members are considered to be independent according to Vigeo Eiris methodology. However, VINCI's Audit Committee is reported to have a comprehensive role. CSR risks appear to be covered by the internal control system such as corruption, social standards in the supply chain, environmental strategy, employees' health and safety, climate change and community issues. The Issuer reports to respect the majority of shareholders' rights. The Issuer disclosed the rules guiding the allocation of its short- and long-term incentives. Additionally, VINCI reports that Senior Executive variable compensation is linked to the company's performing on CSR objectives such as corruption, environmental strategy and health and safety for employees.</p> <p>On Business Ethics, VINCI has issued a formalised commitment to prevent anti-competitive practices and corruption in its Code of Ethics and Conduct and its Manifesto. VINCI's commitment to preventing corruption is supported by risk assessments, internal and external audits, confidential reporting system and external investigations of allegations. Additionally, VINCI reported to provide training on corruption and anti-competitive practices to employees. However, no information is disclosed to ensure lobbying transparency.</p>	Advanced
		Robust
		Limited
		Weak

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

Vigeo Eiris' methodology for the definition and assessment of the corporation's ESG performance is based on criteria aligned with international standards, in compliance with the ISO 26000 guidelines, and is organised into 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. Our evaluation framework of the material ESG issues has been adapted on the basis of the specificities of the Issuer's business activity.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the Issuers Business Unit for Second Party Opinions) complemented by a final review and validation by the Director of Methods. Our Second Party Opinions (SPOs) are also subject to internal quality control at three levels (consultants in charge of the mission, Project Manager, Quality Reviewer and final review and validation by the Director of Methods and the Director of Issuers or the Sustainable Finance Senior Advisor. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the company, then the Director of Methods, and finally Vigeo Eiris' Scientific Council.

All employees are signatories of Vigeo Eiris' Code of Conduct, and all consultants have also signed its add-on covering financial rules of confidentiality.

PART 1. FRAMEWORK

Alignment with the Green and/or Social Bond Principles

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

The Framework has been evaluated by Vigeo Eiris according to the ICMA's Green Bond Principles - June 2018 ("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. Vigeo Eiris 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 has been assessed by Vigeo Eiris on its transparency, governance and relevance. The eligibility criteria have been 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 have been assessed by Vigeo Eiris on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer have been assessed by Vigeo Eiris 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

For Vigeo Eiris, the potential positive impact of an activity on environmental and/or social objectives cannot be decoupled from the management of the associated potential negative impacts and externalities. Our assessment of expected positive impacts and of identification and management of ESG risks is therefore consolidated into the activity's overall contribution to sustainability.

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

This section assesses the potential/expected positive impact of the activities to be financed by the Issuer or Borrower on environmental and/or social objectives.

The expected positive impact of activities on environmental objectives is assessed on the basis of:

- i) the relevance of the claimed environmental objective for the sector of the activity and location/context;
- ii) the scope of the expected impact (value chain, local and global stakeholders);
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental objectives (capacity to not just reduce, but to prevent/avoid negative impact);
- iv) the extent to which the activity is adopting the best available option.

The expected impact of activities on social objectives is assessed on the basis of:

- i) the relevance of the claimed social objective (social need) at local/country level;
- ii) the extent to which the activity is targeting of a population in need;
- iii) the magnitude and durability of the potential impact of the proposed activity on the social objective (capacity to provide a structural/long-term improvement to the social issue in question).

Project ESG risk management

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

PART 2. ISSUER

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by Vigeo Eiris.

Issuer's ESG performance

The Issuers ESG 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, stakeholders' feedbacks and controversies.

Scale of assessment of ESG performance: Weak, Limited, Robust, Advanced

NB: The Issuer's integration of ESG factors in its strategy has not been assessed through a complete process of rating and benchmark developed by Vigeo Eiris. The assessment of the Issuer's ESG strategy has focused only on the Leadership item from Vigeo Eiris' ESG rating methodology (see below), based on information provided by the Issuer, public information and stakeholders' views and opinions collected from public documents.

Issuer's ESG strategy.

The issuer has been evaluated by Vigeo Eiris on its ESG strategy, based on relevant ESG drivers organised in the 6 sustainability domains. The Issuer's strategy has been assessed by Vigeo Eiris based on its Leadership: relevance of the commitments (content, visibility and ownership).

Scale of assessment of ESG strategy: Weak, Limited, Robust

Management of stakeholder-related ESG controversies

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

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

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

- **Frequency:** reflects for each ESG challenge the number of controversies 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).
- **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, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to 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.

PART 3. COHERENCE

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.

Scale of assessment: not coherent, partially coherent, coherent

VIGEO EIRIS' 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 objective of sustainability. Reasonable level of risk management and using innovative methods to anticipate emerging 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 other best practices.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of 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. Limited to weak level of 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 responsibility is non-tangible; no evidence of command over the issues. Level of assurance of risk management is weak to very weak.	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.

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