

Second-Party Opinion

The Société du Grand Paris Green EMTN Programme Framework



Evaluation Summary

Sustainalytics is of the opinion that the Green EMTN¹ Programme Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – (i) Construction of new electric metro lines and line extensions and (ii) Construction and development of new stations and technical centres for electric metros – are aligned with those recognized by the Green Bond Principles 2018 (clean transportation). Sustainalytics considers that the company's Grand Paris Express project is expected to support urban densification and contribute to reverse urban sprawl in the Paris Metropolitan Area, all by assisting the long-term modal shift to public transportation and curb Ile-de-France's CO₂ emissions. The eligible categories will also advance the UN Sustainable Development Goals, specifically SDG 11.



PROJECT EVALUATION / SELECTION Société du Grand Paris' project evaluation and selection is overseen by a Green Bond Committee, which is responsible for ensuring that the projects comply with the eligibility criteria set in the Framework. The Committee will meet once a year to review the eligible projects. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Proceeds from the green bonds will be tracked by Société du Grand Paris' Finance Department through its internal information systems and database. Pending full allocation, the unallocated green bond proceeds will be placed with the French Treasury and invested under its policies and guidelines. This is in line with market practice.



REPORTING Société du Grand Paris commits to provide allocation and impact reporting annually on SGP's website. The allocation report will comprise the allocated amounts, the breakdown by Grand Paris Express line, and the project status. In addition, Société du Grand Paris is committed to reporting on relevant impact metrics, such as estimated ex-ante GHG emissions reductions (tCO₂eq/year), or estimated energy savings (kWh). Sustainalytics views SGP's allocation and impact reporting as aligned with market practice.

Evaluation Date March 15th, 2021

Issuer Location Paris, France

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¹ Euro Medium-Term Notes

Introduction

Société du Grand Paris (“SGP”, or the “Company”) is a French state-owned company providing transportation and infrastructure construction services in the Paris Metropolitan Area. SGP was created by the Grand Paris Law of June 3, 2010, and it was tasked with designing and developing infrastructure projects for the public transport network of the Paris Metropolitan Area, with the aim to promote a sustainable, inclusive and job creating environment.

Société du Grand Paris has developed the Société du Grand Paris Green Bond EMTN Programme Framework (the “Framework”) under which it will issue green bonds, the proceeds from which will finance, refinance, and prefinance, in whole or in part, existing and future electrified metro lines that improve mobility services and related infrastructure. The Framework defines eligibility criteria in two areas:

1. Construction of new lines and line extensions: almost 200 km of new automatic metro lines supplementing the 400 km of existing lines in the Ile-de-France region.
2. Construction and development of new stations and technical centres: 68 stations and seven technical centres planned.

SGP engaged Sustainalytics to review the Green EMTN Programme Framework, dated March 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).² This Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of SGP’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 the Framework. SGP representatives have confirmed (1) they understand it is the sole responsibility of SGP to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and SGP.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green EMTN Programme Framework is available on Société du Grand Paris’s website at: <https://www.societedugrandparis.fr/sgp/investisseurs>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that SGP has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green EMTN Programme Framework

Sustainalytics is of the opinion that the Green EMTN Programme Framework is credible and impactful, and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of SGP's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories for the use of proceeds – (i) Construction of new lines and line extensions and (ii) Construction and development of new stations and technical centres – are recognized as impactful by the GBP 2018. Sustainalytics is of the opinion that SGP's Grand Paris Express projects contribute to the reduction of the Paris Metropolitan Area's carbon footprint through enhancing the urban consolidation of the Ile de France region, mitigating against urban sprawl and unsustainable land artificialization, while also facilitating the long-term modal shift to public transportation.
 - The Framework is specifically dedicated to financing the immediate and future needs (including pre-financing and refinancing) of Grand Paris Express until the associated debt is fully amortized. Société du Grand Paris confirmed that all the metros will be fully electric, and the supporting infrastructure (new stations and technical centres) will be dedicated solely to the electric metros. Sustainalytics positively notes that SGP uses CarbOptimum,⁵ a carbon calculator, to support efforts to limit lifecycle GHG emissions from the project.
 - Sustainalytics notes that the Framework allows for OPEX financing, including salaries, financial charges, support and ancillary costs, and impact studies, audit, and advisory services. The OPEX financing represent a minority of the proceeds that will directly and indirectly support the realization of the Grand Paris Express, the eligible asset. While the Green Bond Principles indicate a preference for project finance, Sustainalytics believes that OPEX directly linked to the automated transit network will be important to support the realization of the project.
 - SGP's look-back period for refinancing activities is 36 months, which is aligned with market practice.
- Project Evaluation and Selection:
 - Société du Grand Paris' project evaluation and selection is overseen by a Green Bond Committee, which is responsible for ensuring that the projects comply will the eligibility criteria set in the Framework. The Committee is comprised of members from the Management Board along with the Company's Finance and Environmental Engineering and Economic Studies departments. The Committee will meet once a year to review the eligible projects.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Proceeds from the green bonds will be tracked by Société du Grand Paris' Finance Department through its internal information systems and database. Sustainalytics considers market expectation to be allocation within 36 months, while SGP intends to fully allocate the proceeds before 2030, the date upon which the Grand Paris Express will be completed. Being a project

⁵ Overview of CarbOptimum available at: <https://www.societedugrandparis.fr/gpe/actualite/carboptimumr-le-calculateur-carbone-de-la-sgp-815>

company created by the French government with the sole purpose of designing and constructing the eligible asset,⁶ SGP has specified that securing financing through pre-financing is a mean to ensure the realization of the Grand Paris Express by securing its industrial environment. SGP is committed to thoroughly report on the allocation of proceeds until full allocation, process further specified in Reporting. Pending full allocation, unallocated proceeds will be placed with the French Treasury, in line with public accounting rules.

- Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Société du Grand Paris commits to provide allocation and impact reporting annually on the Company's website. The allocation report will comprise the allocated amounts, the breakdown by Grand Paris Express line, and the project status. In addition, Société du Grand Paris is committed to reporting on relevant impact metrics, such as estimated ex-ante GHG emissions reductions (tCO₂eq/year), or estimated energy savings (kWh). For an exhaustive list of impact metrics, please refer to Appendix 1.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Green EMTN Programme Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of SGP

Contribution of framework to Société du Grand Paris's sustainability strategy

In October 2020, the Government of France, which owns 100% Société du Grand Paris, introduced its National Low-Carbon Strategy ("SNBC"), highlighting the country's ambition to achieve carbon neutrality by 2050.⁷ As part of its SNBC, France has established a comprehensive set of emissions targets and has outlined a supporting policy framework to achieve a low carbon future.⁷ Among the sectoral orientations of the SNBC, the transportation sector is one of the major areas of focus.⁷ The SNBC targets to decrease transportation-related emissions by 28% by 2030 compared to 2015 levels.⁷ Ultimately, the strategy envisions achieving full decarbonization by 2050.⁷ To do so, the SNBC recommended several policies, such as initiating a modal shift to the most energy-efficient and least emitting transportation modes, such as rail or public transport.⁷

In line with the French Government's sustainability goals, Société du Grand Paris received the mission to design and implement the Grand Paris Express⁸, a cluster of new rapid transit lines in the Ile-de-France region and the Paris Metropolitan Area, with the purpose to ensure better commuter service, stimulate regional development and innovation. In this sense, Société du Grand Paris has also outlined seven environmental commitments to guide its actions in the development of the express system.⁹ The commitments are:

1. Avoid, reduce or offset environmental impacts
2. Foster energy efficiency
3. Integrate all structures in their environmental, architectural or landscape context
4. Anticipate natural risks
5. Foster soft mobility options
6. Conduct eco-responsible worksites
7. Develop the circular economy

⁶ As a state-owned undertaking, the Société du Grand Paris is subject to a principle of specialty preventing it from exercising missions other than those explicitly provided for in its articles of association. Article 7 of the Law of the 3rd of June 2010 specifies the main mission SGP. SGP's main mandate is to design and draw up the overall plan and infrastructure projects comprising the Greater Paris public transport network and to ensure its implementation, including the construction of lines, structures, and fixed installations, and the construction and development of stations.

Republique Française, "LOI n° 2010-597 du 3 juin 2010 relative au Grand Paris (1)", at: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000022308227/>

⁷ Ministry of Ecological Transition, "Stratégie Nationale Bas-Carbone", (2020), at: <https://www.ecologie.gouv.fr/strategie-nationale-bas-carbone-snbc>

⁸ More information the Grand Paris Express project available at: <https://www.societedugrandparis.fr/info/grand-paris-express-largest-transport-project-europe-1061>

⁹ <https://www.societedugrandparis.fr/sgp/engagements/environnement-184>

Furthermore, the fundamental mission of the issuer is to develop a mass public transportation network that seeks to promote sustainable economic development and job creation in the Ile-de-France region.¹⁰ This purpose is enshrined in the French Law June 3rd, 2010 that prompted the creation of the issuer.¹¹ As such, Sustainalytics views the Société du Grand Paris' central purpose as sustainable and impactful.

Sustainalytics believes that the Société du Grand Paris Green Bond EMTN Programme Framework is consistent with the overall climate ambitions of the Government of France, the law under which the Société du Grand Paris was established and the fundamental mission of the issuer, which is considered impactful by the Green Bond Principles 2018. Finally, Société du Grand Paris demonstrates a strong commitment to supporting the deployment of responsible finance in France and is the first French issuer with a 100% EMTN Programme dedicated to innovative sustainable urban and mobility solutions.

Well-positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that the development of new public transit lines, extensions of existing lines and the construction of new metro centers and technical centers for maintenance entails social and environmental risks. SGP estimates that around 300 working sites will be opened during the lifetime of the GPE project. Sustainalytics recognizes that the GPE project may be associated with worker health and safety risks, site waste management risks and potential environmental damage risks resulting from the construction of infrastructure.

Sustainalytics is of the opinion that SGP is able to manage and/or mitigate potential risks through implementation of the following:

- SGP undertook environmental impact studies for each section of new lines and line extensions. The issuer must also obtain authorizations for work based on compliance with France's Environment and Forest codes, which specify the necessary precautions to be taken with regards to water, land clearance and protected species. SGP disclosed that since 2010, the company executed more than 5000 geo-technical and hydrological surveys over 600 km² along with a strategic environmental evaluation covering all relevant aspects such as: fauna and flora, agriculture, air and energy, noise impact, architectural and landscape heritage.¹²
- Complementing its sustainability-related risk mitigation practices, SGP implemented an internal policy and a management system called Quality-Security-Environment (Qualité-Sécurité-Environment) based on a continuous improvement model and sustainable development.
- Confirming its sustainability approach, SGP ensured that all its maintenance sites are certified under the HQE (Haute Qualité Environmentale) Standard for green building.
- SGP commits to comprehensive worker health and safety coverage and signed a CSR Charter along with project partner companies RATP (Régie Autonome de Transport de Paris), SNCF Réseau and the regional prefecture. SGP confirmed that all parties (including subcontractors) involved during the entire life cycle of the construction process are legally bound to respect a Site Security Charter (Charte et Référentiels Sécurité) in addition to following all health and safety regulation in France.¹³
- SGP has implemented a circular approach to waste management through which more than 45 million tonnes of construction waste are expected to be treated.¹⁴ In this sense, SGP and its contractors have a target to recover 70% of the construction waste generated, in line with France's Energy Transition Law.¹⁵ SGP also ensured that its construction subcontractors implemented an innovative and risk-free approach to waste management such as pre-excavation land pollution diagnosis, the use of sealed wagons for soil transportation, waste conversion into ecological concrete, the use of clean excavated soils for the extension of new fertile lands or the use of excavated land to stabilize neglected mines.¹⁶ SGP implements an extended environmental responsibility approach through its network of partners and requires all construction subcontractors

¹⁰ Law n° 2010-597 of June 3rd, 2010 relating to Greater Paris (1)

¹¹ Law n° 2010-597 of June 3rd, 2010 relating to Greater Paris (1)

¹² Société du Grand Paris, "Protéger l'environnement et valoriser les déblais", (2017), at: https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455-Les_fondamentaux_des_chantiers_du_Grand_Paris_Express_Proteger_l_environnement_et_valoriser.pdf

¹³ More on the health and safety regulations in France available at: <http://travail-emploi.gouv.fr/sante-au-travail/>

¹⁴ More information on the waste management practices for Grand Paris Express available here: https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2018/03/19/729-Dossier_gestion_et_valorisation_des_deblais.pdf

¹⁵ France's Energy Transition Law available here: <http://www.unepefi.org/fileadmin/documents/PRI-FrenchEnergyTransitionLaw.pdf>

¹⁶ More information on SGP's innovative approach to waste management at: <https://www.societedugrandparis.fr/gpe/actualite/des-solutions-innovantes-pour-les-deblais-du-grand-paris-express-472>

- to sign an Environmental and Sanitary Record Card on the environmental quality of the construction materials used.¹⁷
- SGP has implemented an overarching internal environmental protection policy built upon 10 pillars: adaptation of site work periods depending on the nesting seasons, prioritization of recycled materials, the preservation of animal species close to the Grand Paris Express lines, soil and water protection, water and energy consumption control, limitation of GHG emissions, nuisances, vibrations and dust and particulate emissions. Moreover, in order to compensate for any negative impacts, SGP commits to a compensation policy comprising reforestation and biodiversity enhancement initiatives.¹⁸
 - The construction of the Grand Paris Express is also expected to result in GHG emissions. In order to mitigate project related emissions, Société du Grand Paris is using a purpose-built tool, CarbOptimum, to gain visibility into the emission profile of the project and identify opportunities for reductions. It is anticipated that the utilization of this tool will aid in mitigating direct GHG emissions associated with the development of new transport lines, expansion of existing lines and construction of new stations and technical centres.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that SGP has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

Contribution towards decarbonized regional development in the Ile de France Region

The Ile-de-France Region, incorporating Paris and the Paris Metropolitan Area, brings together more than 12 million inhabitants with a total carbon footprint of 38.5 million tonnes of CO_{2e} (including transport, agriculture, residential, construction, waste and agriculture emissions) in France's largest urban area.^{19,20} With almost 60% of Ile-de-France's GHG emissions, the transportation sector plays a critical role in the regional development and Ile de France's carbon footprint profile mostly due to urban sprawl and an associated reliance on automobile transportation.²¹ Studies have indicated that urban sprawl intensifies GHG emission concentration, especially in the Paris Metropolitan Area, with 1,000 kg in CO₂ emissions compared to an average of 640 kg for the French territory.²²

Société du Grand Paris commissioned a third-party company to evaluate the carbon impact of the Grand Paris Express project which is expected to result in 27 million tonnes of CO_{2e} reduction due to the modal shift from road to rail transportation, as well as the urban renewal and regional development prompted by the new metro system. Sustainalytics assessed the CarbOptimum tool used for the calculation, which is available in Appendix 2, while the CO₂ emission reduction patterns are available in Appendix 3. CarbOptimum indicates that the majority of the cumulative GHG emission reductions, approximately two thirds, are attributable to the regional development induced by the Grand Paris Express project. Specifically, the impact is attributable to reducing urban sprawl and the associated reductions in land artificialisation and reduced requirements for connecting infrastructure. Moreover, Sustainalytics highlights that SGP used an integrated approach towards a life-cycle CO₂ emission control through the use of the CarbOptimum tool, which indicates a comprehensive approach to mitigating CO₂ emission during all construction phases: use of materials, technologies, equipment and energy.

¹⁷ More information on SGP's environmental responsibility approach available at: <https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455->

[Les_fondamentaux_des_chantiers_du_Grand_Paris_Express__Proteger_l_environnement_et_valoriser.pdf](https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455-)

¹⁸ More information SGP's environmental protection policy available at: <https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455->

[Les_fondamentaux_des_chantiers_du_Grand_Paris_Express__Proteger_l_environnement_et_valoriser.pdf](https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455-)

¹⁹ More information on the carbon footprint of the Ile de France Region available at: [https://www.iau-](https://www.iau-idf.fr/fileadmin/NewEtudes/Etude_174/pdf_bilan_carbone_ia_48947.pdf)

[idf.fr/fileadmin/NewEtudes/Etude_174/pdf_bilan_carbone_ia_48947.pdf](https://www.iau-idf.fr/fileadmin/NewEtudes/Etude_174/pdf_bilan_carbone_ia_48947.pdf)

²⁰ The list of France's largest urban areas available at: <https://www.insee.fr/fr/statistiques/2569312?sommaire=2587886>

²¹ Study from France's General Commissariat for Sustainable Development available at: http://www.statistiques.developpement-durable.gouv.fr/fileadmin/documents/Produits_editoriaux/Publications/La_revue_du_CGDD/2012/Revue%20CGDD%20%C3%A9talement%20urbain_%20mars%202012_V2.pdf

²² Study available at: http://www.statistiques.developpement-durable.gouv.fr/fileadmin/documents/Produits_editoriaux/Publications/La_revue_du_CGDD/2012/Revue%20CGDD%20%C3%A9talement%20urbain_%20mars%202012_V2.pdf

Sustainalytics holds a positive view over the construction and implementation of the Grand Paris Express project and considers that the expected carbon reductions will support France and the City of Paris to achieve their decarbonization targets. While France exceeded its national target of reducing GHG emissions by 14% in 2016 compared to 2005 levels, it is still above its EU 2020 target by approximately 5%.²³ The project is considered even more impactful in light of the fact that France is amongst the highest producers of GHG emissions from transport in the EU.²⁴ While France has a climate goal to reach a 40% emission reduction by 2030, and 75% by 2050, compared to the 1990 levels, the City of Paris committed to carbon neutrality by 2050.²⁵

Contribution towards dense and sustainable urbanization

As the Grand Paris Express lines are expected to run at 55 km/h on average speed and have 2 to 3 minutes in scheduled waiting time (SWT)²⁶, Sustainalytics views the project as a robust substitute for automobile use which would support the densification of the Metropolitan Paris Area and reverse urban sprawl. SGP’s projections showed that GPE will accommodate more than two million travellers daily²⁷, thus contributing to a more productive use of the urban space and support a sustainable urban densification detached from carbon intensive individual transport methods. In this sense, Sustainalytics highlights that the urban densification will reduce the need for connecting infrastructures such as roads and utilities, thus maintaining a low-carbon regional development profile and contributing to curb the competition for urban space.

Similarly, the French National Institute of Statistics and Economic Studies (Insee) projects that the number of residents in the Paris Metropolitan Area will increase moderately from 11.9 million in 2018 to 13.5 million in 2050²⁸, while the number of people aged over 60 will exceed 25% of the entire population.²⁹ In this sense, Sustainalytics considers that the Grand Paris Express project will positively contribute to optimise and intensify exchanges for all group ages, thus acting as a support for enhanced social integration.

Social Impact of the Grand Paris Express

SGP confirmed that more than 20% of the construction work related to Grand Paris Express will be performed by French local SMEs, with at least 5% of the working hours being dedicated to those holding long-term unemployed status. Sustainalytics holds a positive view of SGP’s contribution to community employment and views it as a robust complement to France’s efforts to support local SMEs³⁰ and long-term employment.³¹

Separately, as at least 30% of the residents in the City of Paris currently live 75 metres or closer from a highly congested road corridor³², the local administration implemented a series of measures stimulating clean mobility, which have rendered a reduction of 39% in the GHG emissions, 30% less automobile traffic and 23% reduction in road transport related emissions.³³ In this sense, Sustainalytics considers that the Grand Paris Express project will provide a strong framework for further air emissions reductions, thus positively contributing to the City of Paris air quality and related public health measures.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Green EMTN Programme Framework advances the following SDG and targets:

Use of Proceeds Category	SDG	SDG target
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²³ Europe 2020 targets: statistics and indicators for France; https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-your-country/france/europe-2020-targets-statistics-and-indicators-france_en

²⁴ Annual greenhouse gas emissions from fuel combustion in the transport sector in France from 2005 to 2014 (in million tons of CO2 equivalent); <https://www.statista.com/statistics/411876/annual-greenhouse-gas-emissions-of-the-transport-sector-in-france/>

²⁵ Paris Climate Action Plan

²⁶ More details available at: https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455-Les_fondamentaux_des_chantiers_du_Grand_Paris_Express_Protéger_l'environnement_et_valoriser.pdf

²⁷ More details available at: https://media-mediathèque.societedugrandparis.fr/permalinks/domain1/2017/09/19/455-Les_fondamentaux_des_chantiers_du_Grand_Paris_Express_Protéger_l'environnement_et_valoriser.pdf

²⁸ More information on the Insee studies available at: <https://www.insee.fr/fr/statistiques/3201222>

²⁹ Population growth projections for the Paris Metropolitan Area available at: <https://www.insee.fr/fr/statistiques/3201222>

³⁰ More information on the French government’s support of SMEs through BPI France available at: <https://www.gouvernement.fr/action/le-soutien-au-financement-des-pme-et-eti>

³¹ More information on the French government’s long-term employment support available at: <http://poem.travail-emploi.gouv.fr/>

³² Healthcare and Environment Policy by the City of Paris available at: <https://api-site-cdn.paris.fr/images/81586>

³³ More information from the Paris Climate Agency available at: <http://www.apc-paris.com/actualite/paris-ville-engagee-pour-mobilite-durable>

Construction of new lines and line extensions	11. Sustainable Cities and Communities	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 person
Construction and development of new stations and technical centres		11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Conclusion

SGP has developed the Green EMTN Programme Framework under which it will issue green bonds, the proceeds from which will finance, refinance, and prefinance the construction of new electric metro lines and line extensions, and the construction and development of new stations and technical centres for electric metros, both of which are part of the Grand Paris Express project in the Paris Metropolitan Area. Sustainalytics considers that the assets funded by the green bond proceeds are expected to provide positive environmental impact.

The Green EMTN Programme Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Green EMTN Programme Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goal 11. Additionally, Sustainalytics is of the opinion that SGP has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Société du Grand Paris is well-positioned to issue green bonds and that the Green EMTN Programme Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Société du Grand Paris
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Green EMTN Programme Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 15 th , 2021
Publication date of review publication:	

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 GBP:

- | | |
|--|--|
| <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 nd 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 Evaluation 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 eligible categories for the use of proceeds – (i) Construction of new electric metro lines and line extensions and (ii) Construction and development of new stations and technical centres for electric metros – are aligned with those recognized by the Green Bond Principles 2018 (clean transportation). Sustainalytics considers that the company’s Grand Paris Express project is expected to support urban densification and contribute to reverse urban sprawl in the Paris Metropolitan Area, all by assisting the long-term modal shift to public transportation and curb Ile-de-France’s CO₂ emissions. The eligible categories will also advance the UN Sustainable Development Goals, specifically SDG 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input checked="" type="checkbox"/> Other <i>(please specify)</i> : Construction of new electric metro lines and line extensions and (ii) Construction and development of new stations and technical centres for electric metros |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Société du Grand Paris’ project evaluation and selection is overseen by a Green Bond Committee, which is responsible for ensuring that the projects comply will the eligibility criteria set in the Framework. The Committee will meet once a year to review the eligible projects. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability 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 Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Proceeds from the green bonds will be tracked by Société du Grand Paris' Finance Department through its internal information systems and database. Pending full allocation, the unallocated green bond proceeds will be placed with the French Treasury and invested under its policies and guidelines. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (*please specify*):

4. REPORTING

Overall comment on section (if applicable):

Société du Grand Paris commits to provide allocation and impact reporting annually on SGP's website. The allocation report will comprise the allocated amounts, the breakdown by Grand Paris Express line, and the project status. In addition, Société du Grand Paris is committed to reporting on relevant impact metrics, such as estimated ex-ante GHG emissions reductions (tCO₂eq/year), or estimated energy savings (kWh). Sustainalytics views SGP's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project On a project portfolio basis

- Linkage to individual bond(s) Other (*please specify*):

Information reported:

- Allocated amounts Green Bond financed share of total investment
- Other (*please specify*):

Frequency:

- Annual Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
- Decrease in water use Other ESG indicators (*please specify*): estimated ex-ante GHG emissions reductions (tCO₂eq/year), estimated energy savings (kWh), number of jobs created or supported in construction phase, number of housing units created around the stations.

Frequency

- Annual Semi-annual
- Other (*please specify*):

Means of Disclosure

- Information published in financial report Information published in sustainability report
- Information published in ad hoc documents Other (*please specify*):
- 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 nd opinion) | <input checked="" 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:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental 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 Green 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 Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental 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 environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally 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 Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green 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. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green 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 environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider

