





EXTERNAL REVIEW

on the Green Retail Bond Allocation Report 2021 of Atenor Group S.A.

10th November 2021



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Overall Evaluation of the Green Retail Bond Impact Report 2021

Atenor Group S.A. ('Atenor') commissioned ISS ESG to provide an External Review on its Green Retail Bond Allocation Report 2021 by assessing:

1. The alignment of the Atenor's Green Retail Bond Allocation Report 2021 with the commitments set forward in Atenor's Green Finance Framework in March 2021, in line with the International Capital Market Association's (ICMA) Green Bond Principles (GBPs) as of March 2021.
2. The alignment of Atenor's Green Retail Bond Allocation Bond Report 2021 with best market practices as described in the ICMA Harmonised Framework for Impact Reporting (HFIR) as of December 2020.
3. Soundness of Atenor's Green Retail Bond Allocation Report 2021 KPIs – whether the indicators used align with best market practices and are a relevant reporting tool for the green bond issued.

ISS ESG ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p>Part 1</p> <p>Alignment with framework commitment, in line with the GBPs</p>	<p>ISS ESG finds that the Green Retail Bond Allocation Report 2021 respects the commitments set forward in the Framework by Atenor and remains aligned to the Green Bond Principles. All key requirements defined by the GBPs have been disclosed in the framework and have then been respected in the Green Retail Bond Allocation Report 2021.</p>	<p>Aligned</p>
<p>Part 2:</p> <p>Alignment with best market practices, defined in the HFIR</p>	<p>ISS ESG finds that the Green Retail Bond Allocation Report 2021 is in line with ICMA's Harmonized Framework for Impact Reporting. All compulsory requirements and 6 key optional requirements out of 13 have been fulfilled.</p>	<p>Aligned</p>
<p>Part 3:</p> <p>Soundness of KPIs reported</p>	<p>ISS ESG finds that the KPI used in the Green Retail Bond Allocation Report 2021 of Atenor aligns with good market practices and with the GBPs.</p> <p>The allocation reporting appropriately displays the way proceeds of the bond are allocated. The indicators chosen for the impact reporting are material and in line with suggested market guideline metrics, information regarding sourcing and benchmarking are properly displayed and information is benchmarked through baseline data.</p>	<p>Positive</p>

ISS ESG EXTERNAL REVIEW ASSESSMENT





PART I: ALIGNMENT WITH FRAMEWORK COMMITMENT, IN LINE WITH THE GBPs



The table below presents the findings of ISS ESG’s assessment of the Green Retail Bond Allocation Bond Report 2021 against Atenor’s commitments set forward in its Framework and against ICMA’s Green Bond Principles (GBPs).

GBPS REQUIREMENTS	ATENOR’S GREEN FINANCE FRAMEWORK COMMITMENT	EVIDENCE IN ATENOR GREEN RETAIL BOND ALLOCATION REPORT 2021	FULFILMENT
1. Use of Proceeds			
1.1. Alignment with the project categories defined by the GBPs	The net proceeds will be exclusively allocated to finance or re-finance projects in the following category: <ul style="list-style-type: none"> Green Buildings 	In accordance with the eligibility criteria established in the Framework, the proceeds have been used to finance or re-finance projects in the following category: <ul style="list-style-type: none"> Green Buildings 	✓
1.2. Sustainability objectives related to project categories	Environmental objectives and benefits are defined for each project category in Atenor’s framework.	A detailed description of core environmental impacts for each target area is available in the report. <ul style="list-style-type: none"> Green buildings – Environmental certification obtained 	✓
1.3. Refinancing / Financing	An amount equal to the net proceeds of the Bonds will be exclusively allocated to finance or re-finance, in whole or in part, new and/or existing loans/projects.	Atenor has allocated all of the proceeds, which have been assigned to existing and new projects, for a total amount of EUR 100 million.	✓
2. Process for project evaluation and selection			
2.1 Defined and transparent criteria for Eligible Green Projects	ATENOR will follow a transparent process for selection and evaluation of Eligible Green Projects.	The Eligible Green Projects were designated by the Executive Committees.	✓

	The potential Eligible Green Projects will be designated by the Executive Committee (including CEO and CFO).		
2.2 Summary criteria for project evaluation and selection publicly available	The eligibility criteria are made publicly available.	The eligibility criteria are made publicly available.	✓
2.3 Documented process to determine that projects fit within defined categories	Projects financed and/or refinanced through the Green Finance Instruments issued under ATENOR Framework are evaluated and selected based on compliance with the Eligibility Criteria as set under paragraph "Use of Proceeds". ATENOR doesn't considerate a lookback period for the project evaluation and selection.	Projects financed and/or refinanced through the Green Finance Instruments issued under Atenor Framework were evaluated and selected based on compliance with the Eligibility Criteria as set under point 5 (page 8) "Criteria for Eligible Projects".	✓
2.4 Documented process to identify and manage potential ESG risks	All potential Eligible Green Projects first comply with local laws and regulations, including any applicable regulatory environmental requirements, as well as ATENOR's standards managing ethical and governance risks.	Projects financed and/or refinanced through the Green Finance Instruments issued under Atenor Framework were evaluated and selected based on compliance with the Eligibility Criteria as set under point 5 (page 8) "Criteria for Eligible Projects" of Atenor's Framework.	✓
2.5 Information on Responsibilities and Accountability	The potential Eligible Green Projects will be designated by the Executive Committee (including CEO and CFO).	The Eligible Green Projects were designated by the Executive Committee	✓
2.6 Stakeholder involved in the process	The potential Eligible Green Projects will be designated by the Executive Committee (including CEO and CFO).	As mentioned above (2.5) stakeholder engagement has been confirmed by Atenor.	✓

3. Management of Proceeds

3.1 Green Bond Proceeds segregated or tracked by the issuer in an appropriate manner	ATENOR will manage the net proceeds of issued Green Finance Instruments on a portfolio basis. As long as the Green Finance Instruments under this Framework are outstanding, ATENOR aims to allocate an amount equivalent to the net proceeds of these instruments towards its Eligible Green Projects, as defined in the paragraph "Use of Proceeds".	The proceeds have been fully allocated.	
3.2 Disclosure of intended types of temporary investment instruments for unallocated proceeds	Pending the full allocation of the net proceeds of issued Green Finance Instruments to the portfolio of Eligible Green Projects ATENOR will manage the unallocated proceeds in line with its regular treasury criteria. ATENOR intends to allocate the full amount of proceeds within the next 24 months following the issuance of Green Financing Instruments.	The proceeds have been fully allocated.	
3.3 Procedure in case of divestment or postponement	If a project is divested, discontinued or does no longer meet the definition of Eligible Green Projects, it will be removed from the portfolio of Eligible Green Projects and replaced by another Eligible Green Project. ATENOR aims to ensure that the total value of issued Green Finance Instruments does not exceed the value of its portfolio of Eligible Green Projects.	The proceeds have been fully allocated.	
4. Reporting			
4.1 Formalisation of monitoring and reporting processes	ATENOR will report annually, until full allocation of the net proceeds, on the allocation of its net proceeds of issued green finance instruments to its portfolio of Eligible Green Project.	The annual timeframe has been respected.	

<p>4.2 Use of Proceeds reporting</p>	<p>The allocation report will include details on:</p> <ul style="list-style-type: none"> • the year of investment, • the amounts of investments allocated to Eligible Green Projects, • the geographic distribution of the portfolio of Eligible Green Projects, • the balance of unallocated proceeds (if any), and • the proportion of new financing and refinancing. 	<p>The section “Allocation reporting” of the Green Finance Report 2021 complies with the pre-issuance commitment expressed in the framework and with the requirements defined in the GBPs.</p> <p>Further analysis of this section of the report is displayed in Part III of this report.</p>	<p style="text-align: center;"></p>
<p>4.3 Impact reporting</p>	<p>Atenor will report on environmental impacts of the Eligible Green Projects (re)financed by the net proceeds of the Green Finance Instrument. The impact report will provide information regarding Eligible Green Projects and their environmental classification (i.e. BREEAM, WELL, NZEB, HQE, Sustainable District, Access4You and/or EPC), including the specific classification level where applicable (e.g. “Excellent”).</p> <p>Additional impact indicators are subject to availability of data and could include:</p> <ul style="list-style-type: none"> • Expected annual generation of renewable energy (in kWh) and the related CO₂ emission avoidance, • Expected quantity of recycled material (in metric tons per year) • Number of electric vehicles charging stations installed, and 	<p>The section “Impact Reporting” of the Green Finance Report 2021 complies with the pre-issuance commitment expressed in the framework and with the requirements defined in the GBPs.</p> <p><i>Further analysis of this section of the report is displayed in Part III of this report.</i></p>	<p style="text-align: center;"></p>

	<ul style="list-style-type: none"> • Number of secured bicycles storage. 		
4.5 Means of disclosure: where the information is published	This reporting will be available one year after the issuance of the first Green Finance Instrument on ATENOR's website: http://www.atenor.eu/investors .	The report is intended to be available publicly.	✓
4.4 External review	A Second Party Opinion (SPO) will be issued by an independent external verifier in order to provide an external verification on Atenor's Green Finance Framework.	ISS ESG has provided a Second Party Opinion (SPO) on Atenor's Green Finance Framework in March 2021.	✓

Opinion: ISS ESG finds that the Green Retail Bond Allocation Report 2021 respects the commitments set forward in the Green Finance Framework by Atenor and remains aligned to the Green Bond Principles. All key requirements defined by the GBPs have been disclosed in the framework and have then been respected in the Green Retail Bond Allocation Report 2021.

PART II: ALIGNMENT WITH BEST MARKET PRACTICES, DEFINED IN THE ICMA HARMONIZED FRAMEWORK FOR IMPACT REPORT

ICMA Harmonised Framework for Impact Reporting has been chosen as benchmark for this analysis as it represents the most widely adopted guideline for Impact Reporting.

The table below presents the findings of an ISS ESG assessment of the Green Retail Bond Allocation Report 2021 against ICMA Harmonized Framework for Impact Reporting guidelines as of December 2020.

COMPULSORY REQUIREMENTS		
REQUIREMENTS	REPORT EVIDENCE	ANALYSIS AGAINST REQUIREMENTS
Report on both the use of environmental bonds proceeds, as well as the expected environmental impacts at least on an annual basis.	Atenor has reported within one year from issuance and all the proceeds have been fully allocated. The report will be available on Atenor's website.	✓
The impact report should illustrate the expected impact made possible as a result of projects to which environmental bond proceeds have been allocated.	The assessment and measurement of the impacts generated by Atenor's Green Bonds covered the following areas: <ul style="list-style-type: none"> a. Environmental classification (i.e BREEAM, EPC) including the specific classification level where applicable (e.g "Excellent") 	✓
Issuers should be transparent on how they report all green bond-related cash-flows in one currency when they allocate green bond proceeds and report on the projects to which green bond proceeds have been allocated.	As part of the general audit carried out by EY and more specifically the half-year 2021 financial statements and its limited audit, Atenor reports the cash flow related to the Green Bond and the allocations to the projects. The half-year 2021 report with a limited audit is available on the following address: Half year Financial Report 2021	✓

KEY OPTIONAL REQUIREMENTS		
REQUIREMENTS	REPORT EVIDENCE	ANALYSIS AGAINST REQUIREMENTS

Define and disclose the period and process for including projects in their report	The entirety of proceeds has been allocated to Green Assets. No modification (removal or additional projects) of the portfolio is planned.	✓
Indicate the total signed amount and the amount of environmental bonds proceeds allocated to eligible disbursements.	A total of EUR100m have been raised through Atenor's Green Retail Bond. The entirety of proceeds has been allocated to Green Assets.	✓
Put in place a formal internal process for the allocation of proceeds linked to their lending and investment operations for Green Projects and to report on the allocation of proceeds.	ATENOR followed a transparent process for selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced through the Green Finance Instruments issued under Atenor's Framework were evaluated and selected based on compliance with the Eligibility Criteria as set under point 5 (page 8) "Criteria for Eligible Projects".	✓
Provide a list of projects to which environmental bonds proceeds have been allocated, or report solely on a portfolio level	The Green Retail Bond Allocation report includes the total amount of proceeds allocated per eligible project category, type within categories and per geographical breakdown (country).	✓
Describe the approach to impact reporting	Atenor identifies the specific eligible projects and clearly defines, for each project, the total project's allocated proceeds.	✓
Report the estimated lifetime results and/or project economic life (in years)	N/A	N/A
Ex-post verification of specific projects	N/A	N/A
Report on at least a limited number of sector specific core indicators for projects included in their green bond programs	Atenor reports on certification standards (BREEAM or EPCs) that is a core indicator for the Green Building sector. A description of core environmental impacts for each target area is available in the report: <ul style="list-style-type: none"> • BREEAM Classification: Excellent • EPC Label corresponding to a Primary Energy Demand of maximum 100 kWh/m²/year or better 	✓
For the calculation of indicators, where there is no single commonly-used standard, issuers may follow their own methodologies	N/A	N/A

while making these available to invest		
Elect, for consistency reasons, to convert units reported for individual projects	N/A	N/A
Be transparent about projects with partial eligibility	N/A	N/A
In case the expected impacts of different project components may not be reported separately, issuers may attribute the results to each component based on their relative share in the related financing, disclosing the attribution approach	N/A	N/A

Opinion: ISS ESG finds that the Green Retail Bond Allocation Report 2021 is in line with ICMA's Harmonized Framework for Impact Reporting. All the compulsory requirements and 6 key optional requirements have been fulfilled.

PART III: SOUNDNESS OF KPIS REPORTED

Use of Proceeds Allocation report

Use of proceeds allocation reporting is key to put the reported impacts into perspective with the amount of investments allocated to the respective use of proceeds categories.

Level and scope of reporting

ISS ESG finds that the allocation report section of the Green Retail Bond Allocation Report of Atenor aligns with good market practices and with the GBPs. The Use of Proceeds reporting occurred within one year from the issuance, after full allocation of the proceeds and is covering all proceeds obtained through the bond. The funds allocation is displayed at the project category level, in a granular way thanks to the breakdown by type of project, geographies and status.

Information reported

ISS ESG finds that the allocation report section of the Green Retail Bond Allocation Report of Atenor aligns with good market practices by providing information on:

- The number of projects (re-)financed
- The Environmental classification per green building
- The total amount of proceeds in million euros (divided per environmental assets)

Impact report

Level and scope of reporting

ISS ESG finds that the impact report section of the Atenor's Green Retail Bond Allocation Report aligns with good market practices and with the GBPs. The impact reporting occurred within one year from the issuance, after full allocation of the proceeds and is covering all proceeds obtained through the bond. The funds allocation is displayed at the project category level, in a granular way thanks to the breakdown by type of project, geographies and status.

Information reported


ISS ESG finds that the impact indicator reported in this section of the Green Retail Bond Allocation Report of Atenor align with good market practices. Find below an assessment of the selection of those impact indicators against the ICMA Harmonized Framework for Impact Reporting.

ELEMENT	ASSESSMENT
Choice of impact indicator	<p>The impact indicator chosen by the issuer for this bond is the following:</p> <p>a) Environmental classification including the specific classification level where applicable</p>

	This indicator is qualitative and material to the Use of Proceeds categories financed through this bond and in line with the Suggested Impact Reporting metrics for Green Building Projects by the ICMA Harmonized Framework for Impact Report for Environmental and Social Bonds. This aligns with best market practices.
Data sourcing	For the impact indicator, the issuer uses Internationally recognized certification standards for Green Buildings such as BREEAM (Building Research Establishment Environmental Assessment Method) or Energy Performance Certificates (EPCs), in line with the core indicator proposed by the ICMA Harmonized Framework for Impact Report for Environmental and Social Bonds.
Baseline selection	The impact data is compared with relevant baseline since regional, national or internationally recognized standards are providing important baselines against which the green building project can be benchmarked. In this sense, the report is in line with the suggestion of the ICMA Harmonized Framework for Impact Report for Environmental and Social Bonds.
Scope of reported data	The impact data is presented at the Use of Proceed category level for the indicator.

Mapping of the impact indicators with the UN Sustainable Development Goals

According to the ICMA high-level mapping to the Sustainable Development Goals (SDGs), the impact indicators presented by the issuer can be associated with the following SDGs:

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
a) Environmental Classification (e.g. BREEAM, WELL, NZEB, HQE, Sustainable District, Access4You and/or EPC), including the specific classification level where applicable (e.g. “Excellent”)	

DISCLAIMER

1. Validity of the External Review: For Atenor's Green Retail Bond Allocation Report released in November 2021.
2. ISS ESG uses a proprietary methodology to assess the bond reports. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create External Reviews on bonds based on data from the issuer.
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ANNEX: Methodology

ISS ESG Review of the Bond Reports

The external review of bond reports provides the Issuer with an independent opinion on the soundness of its post-issuance report and of its alignment with recognized market guidelines and it provides investors with independent information regarding the reliability of the report produced.

On the basis of the information provided by the Issuer, ISS ESG assess the alignment of the report with recognized market guidelines, the metrics chosen by the Issuer and the soundness of process and methodology of reporting.

The analysis of the metrics adopted is based also on specific sets of indicators developed by ISS ESG for every single use of proceeds category.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Atenor's Green Bond contributes to related SDGs and has a positive association with their respective sub-targets.

About ISS ESG External Review

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent External Review so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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