

Issued in July 2017

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion on the sustainability credentials and management of the Green Loan (the “Loan”) to be granted to a special purpose vehicle established by Terna (the “ Sponsor”) according to Vigeo Eiris’ Environmental, Social and Governance (ESG) assessment methodology.

The Project Finance loan is provided to Difebal S.A. (the “Borrower”), a company established by Terna under the laws of Uruguay to promote a project consisting in the design and construction of a 213 km transmission line of 500Kv connecting the converter located in Melo with the future substation located in Tacurembó, in the north-east of Uruguay (the Project).

The Project will be financed under an A/B Loan provided by Inter-American Investment Corporation (IIC), Inter-American Development Bank (IDB), China Co-Financing Fund for Latin America and the Caribbean (China Fund) and Banco Bilbao Vizcaya Argentaria (BBVA or the “Bank”), with the latter acting as B Lender and Green Loan Coordinator.

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

- **Sponsor:** document-based evaluation of Terna’s ESG performance, controversies and capacity to mitigate these risks.
- **Loan Application:** analysis of the coherence between the Loan framework and Terna’s strategy and commitments, and document-based evaluation of the Loan framework, including:
 - ▶ analysis of the process for categorisation and selection of assets eligible to the use of proceeds, and the process for evaluation of their environmental and social risks and impacts.
 - ▶ assessment of reporting systems dedicated to information, monitoring and control related to fund allocation, to management and impacts of financed projects.

Vigeo Eiris’ sources of information are gathered from our rating database, from Terna, press content providers and stakeholders. Vigeo Eiris has carried out its due diligence from the 13th of June to the 30th of June 2017.

We were able to access to sufficient documents and information. We consider that the provided information enables us to establish our opinions with a reasonable level of assurance on their completeness, precision and reliability.

VIGEO EIRIS’ OPINION

Vigeo Eiris confirms that the Loan intended by Terna is a “Green Loan” with positive contribution to sustainable development.

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

- **Sponsor:** Terna displays an overall advanced³ ESG performance (see Part I).
 - ▶ Terna ranks first in the “Electric & Gas utilities” Vigeo Eiris sector which covers 48 European companies. Terna’s displays homogeneous performance on the three ESG pillars, achieving advanced performance for its Environmental, Social and Governance pillars.
 - ▶ Vigeo Eiris’ assurance that ESG risk factors of Terna are adequately managed is reasonable, including reputational, human capital, operational and legal risks.
 - ▶ Terna faces two isolated allegations⁴, not related to the project, regarding Community Involvement. The severity is minor based on the analysis of its impact on the company and its stakeholders. The company is overall reactive: it reports transparently in both cases,

¹ Second Party Opinion: This opinion is to be considered as an opinion delivered by an external and independent sustainability consultant after due diligence process, as described by the Green Bond Principles (2016 edition in the ‘External Review’ section). www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/

² The “Green Loan” is defined as the potential forthcoming Loan, which application is subject to both Bank and Borrower’s decisions.

³ Definition of Vigeo Eiris’ scales of assessment (as detailed on the last page of this document):
Level of Performance: Advanced, Good, Limited, Weak.
Level of Assurance: Reasonable, Moderate, Weak.

⁴ The opinion delivered on stakeholder-related ESG allegations is not a conclusion on the creditworthiness of Terna or its financial obligations.

implementing remedial actions in one of them.

- ▶ Regarding the 9 controversial activities analysed by Vigeo Eiris⁵, and based on an estimation of the level and type of company involvement, Terna is not involved in any of them.
- **Loan Application:** The Loan framework for this loan is considered to be good (see Part II):
 - ▶ The net proceeds of the Loan application will be used to finance one Energy Transmission and Distribution project in Uruguay, which contributes to climate change mitigation, in line with two United Nations Sustainable Development Goals.
 - ▶ The process for evaluation and selection of Eligible Assets is clearly defined and relies on relevant criteria.
 - ▶ The rules for the management of proceeds are clearly defined by the Borrower and would enable a documented and transparent allocation process, based on management of proceeds commitments.
 - ▶ Terna's reporting commitments and process are covering the fund allocation and partially covering environmental benefits and ESG management of the selected assets, reaching an overall moderate level of assurance on Terna's capacity to report on the Loan's use and impacts.

EXTERNAL REVIEW

Terna's Green Loan application is supported by external review, provided by:

- The sustainability consultant review, i.e. the hereby Second Party Opinion performed by Vigeo Eiris, on the sustainability credentials of the Loan, based on pre-application commitments and covering all the Loan dimensions, i.e. Borrower commitments, projects (use of proceeds and ESG integration) and reporting (process and KPIs).

Milan, July 7th 2017



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Disclaimer

Transparency on the relation between Vigeo Eiris and the Borrower: Vigeo Eiris has executed 5 consultancy missions for Terna between 2013 and 2017 and no established relationship (financial or others) exists between Vigeo Eiris and Terna.

This opinion aims to explain for investors why the Green Loan is considered as sustainable and responsible, based on the information which has been made available to Vigeo Eiris and which has been analyzed by Vigeo Eiris. Providing this opinion does not mean that Vigeo Eiris certifies the materiality, the excellence or the irreversibility of the projects financed by the Green Loan. Terna is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on financial performance of the Green Loan, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

Restriction on distribution and use of this Opinion: the opinion is provided by Vigeo Eiris to the Borrower and can only be used by the Borrower. The distribution and publication is at the discretion of the Borrower, submitted to Vigeo Eiris approval.

⁵ The 9 controversial activities analysed by Vigeo Eiris are: Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, Genetically Modified Organisms in food & feed, Nuclear energy, Sex industry, Tobacco. The controversial activities research provides screening on companies to identify involvement.

Part I. SPONSOR

Level of Terna's ESG performance

As of October 2016, Terna's overall approach to manage ESG related issues is advanced.

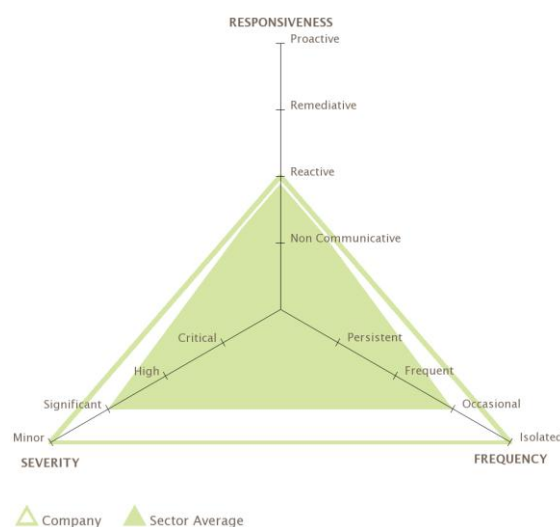
Domain	Comments	Opinion assessment level
Environment	Terna's performance in the Environment domain is considered as advanced, above the sector average. ISO 14001 certification is reported to cover 100% of its installations and a comprehensive environmental strategy appears to be set up, including extensive means to protect biodiversity. The Company also disclosed quantified targets with regard to its energy efficiency and CO ₂ emissions. In 2015, as in the previous five-year period, there were no significant leaks of pollutant liquids, as well as no penalties imposed for non-compliance with environmental laws. Terna has strategic partnerships and agreements on the topic of biodiversity preservation with several NGOs. The main Company's environmental weakness seems to be network carbon footprint, since the GHG emissions normalised by the volume transported increased during the past five years.	Advanced
		Good
		Limited
		Weak
Social	Terna's performance on the Social pillar is advanced. Regarding the Human Resources domain, the performance is advanced. Promotion of labour relations is a strength, thanks to a Protocol on the system of industrial relations defining frameworks ranging from bargaining, dialogue, consultation to preventive or periodic reporting. Terna's OHSAS 18001 certifications covers 100% of its activities, and the employee injury rate show and decreasing trend. Also in the Human Rights domain, Terna's performance is advanced. Terna's Code of Ethics contains commitments on both freedom of association and diversity. Terna's performance in the Community Involvement domain is good. This mostly reflects the Company's transparency on newly tax-related added questions. Terna displays an advanced performance on the integration of social factors in the supply chain and a good performance on responsible customer relations, due to formalized and exhaustive commitments and means allocated.	Advanced
		Good
		Limited
		Weak
Governance	Terna's performance in the Corporate Governance domain is advanced in absolute terms and stand above the sector average. All Board members apart from the CEO are considered independent. CSR issues are covered by the internal controls system, namely health & safety, corruption and environment. Terna's performance in the Business Behavior domain is advanced, above the sector average. Terna's performance is advanced in terms of Prevention of Corruption and on responsible lobbying, mainly due to efforts identified in reporting.	Advanced
		Good
		Limited
		Weak

Terna is included in the following Vigeo Eiris Indices (as the date of publication):

- Euronext Vigeo Eiris World 120
- Euronext Vigeo Eiris Europe 120
- Euronext Vigeo Eiris Eurozone 120

Stakeholder-related ESG controversies⁶

- **Frequency:** As of June 16th, 2017, Terna faces isolated allegations: the Company is involved in two stakeholder-related ESG controversies, on one domain, namely Community Involvement (two cases, both on social and economic development)
- **Severity:** The level of severity is minor based on the analysis of the impacts on the company and its stakeholders.
- **Responsiveness:** Terna is overall reactive: the company reports transparently in both cases, implementing remedial actions for one of them.



Involvement in controversial activities

Based on an estimation of the level and type of company involvement, Terna is not involved in any of the 9 controversial activities analysed by Vigeo Eiris.

⁶ Sources: Factiva research and Company's sources

Part II. LOAN APPLICATION

Terna is an independent grid operator and one of the key players in Europe in terms of kilometers of electricity lines managed. It is engaged in the electricity transmission and dispatching over the high voltage national transmission grids in Italy. It engages in the design, development, construction, management, operation, and maintenance of grid structures, high voltage power lines, plants and equipment, and other infrastructures for the dispatch and transmission of electricity. The Company is also involved in the production, repair, and sale of electrical and electromechanical instruments and machinery; and sale of industrial.

The Terna Business Plan 2017-2021 has a relevant focus on energy transition. Terna is aware that the growth of non-programmable renewables and, at the same time, the decommissioning of traditional plants, makes it necessary to change the development of grids. The Company will focus on new electricity interconnections between neighbouring countries and higher technological and smart energy infrastructure, with low environmental impact.

Terna considers its social responsibility as a key factor of success for its development and the Company's reported strategy is advanced across its Governance, Social and Environment pillars: Terna ranked first of the European Electric & Gas Utilities sector rated in 2016 by Vigeo Eiris Rating.

By considering to borrow a Green Loan to finance a Transmission and Distribution project with environmental benefits, Terna coherently illustrates its commitment to energy transition.

Use of proceeds

The net proceeds of the Loan will be used to finance a project consisting in the design and construction of a 213 kilometers long transmission line of 500kv connecting the converter located in Melo with the future substation located in Tacuarembó in the north-east of Uruguay ("the Project"). The project is commissioned by the Administración Nacional de Usinas y Trasmisiones Eléctricas (UTE), Uruguay's state-run electric utility, who has signed an Operating Lease with Difebal, S.A., the Special Purpose Vehicle established by Terna, to promote the Project. Once commercial operation is reached, UTE will carry out the operation and maintenance of the Project, and will pay Terna a monthly payment for 30 years as per the terms and conditions of the lease. The Uruguayan company SACEEM was contracted by Terna to carry out the design, supply, construction, and electromechanical assembly work on all Project components.

Of note, Uruguay has a comprehensive, long-term energy plan (National Energy Policy 2005–2030) with the overall objective to diversify the energy mix, reduce dependency from fossil fuels, improve energy efficiency, and increase the use of endogenous resources, mostly renewables. The Project seeks to improve the connection of renewable energy to the network and strengthen the reliability of the Uruguayan electricity system by accommodating the country's recent massive shift towards renewable energy.

The Project is largely being constructed in order to connect various renewable energy projects to the national grid. The definition of the project, related objectives and expected environmental benefits have been evaluated in the table below:

Eligible Project	Definition	Sustainability benefits	Vigeo Eiris' analysis
Transmission and Distribution Projects	Financing of building, operation and maintenance of electric power distribution and transmission networks, that contribute to: <ul style="list-style-type: none"> - Connect renewable energy production units to the network - Strengthen the reliability of the Uruguayan electricity system 	Climate change mitigation <ul style="list-style-type: none"> - GHG emissions avoidance - Connection of renewable energy to the network 	The definition is clear and the content is relevant, in line with Terna's strategy The objectives are visible, precise and relevant but partially measurable.

Vigeo Eiris estimates that the objectives and expected benefits associated with the Eligible Project are relevant and visible but partially measurable. We consider that the Eligible Project's contribution to sustainable development is positive, due to the expected environmental benefits associated with defined categories on climate change mitigation

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

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



The UN SDG 7 consists in ensuring universal access to affordable, reliable, sustainable and modern energy, with targets by 2030 on the universal access to affordable, reliable and modern energy services and the share of renewable energy in the global energy mix. By using the Loan to finance the Eligible Transmission and Distribution project, the Sponsor is contributing to the UN SDG 7, with regards to the above-mentioned targets.

Contribution to achieving the UN SDG 13. Climate action



The UN SDG 13 consists in taking urgent action to combat climate change and its impacts. The Energy industry can contribute to this goal by taking appropriate mitigation and adaptation action.

By using the Loan to finance the Eligible Transmission and Distribution project, the Sponsor is contributing to the UN SDG 13, with regards to the above-mentioned contribution.

Process for project evaluation and selection:

The Borrower provided evidence that it has adopted a transparent evaluation and selection process of the project, which have been evaluated by Vigeo Eiris using our evaluation methodology based on international and sectors standards.

The process for the evaluation and selection of the project is defined and disclosed to the bank through the hereby document. It relies on:

- Internal procedures followed by the International Business Development department
- Inter-American Investment Corporation (member of the IDB Group) analysis of ESG factors related to the project, which was based on documented evidences and an on site visit:
 - **Environmental dimension:** environmental management, Protection of biodiversity, Atmospheric emissions, efficiency in the use of resources and pollution prevention
 - **Social dimension:** Improvement of health & safety and employment conditions, respect of local communities

Based on the described process, the evaluation and selection of the project used internal and external expertise:

- International Business development is in charge in the identification of potential business opportunities worldwide.
- The project to be financed by the proceeds of the Loan has been identified involving internal skills within Business Development and Finance teams.
- The risk management is in charge of the assessment of legal, operational and reputational risks linked to the project and contractors involved.
- The Inter-American Investment Corporation (IIC) was involved in the assessment of the ESG management of the project.
- BBVA conducted a review of the Project for compliance with the Equator Principles and the IFC Performance Standards on Environmental and Social Sustainability.

Terna's evaluation and selection process has been assessed by Vigeo Eiris regarding the exhaustiveness and relevance of ESG criteria and associated commitments implemented at project level, applied to the whole business divisions of the group and consistent with Terna Sustainability Policy. We consider that:

- The integration of ESG factors in the project management is under the responsibility of the general contractor SACEEM and it was checked by IIC.
- Even though the ESG management of the project is coherent with Terna's CSR and Sustainability policies, the current internal procedures don't provide for a systematic check of projects/contractors' compliance with a set of ESG requirements agreed upon by the Sustainability team.
- ESG integration in project management is good, in line with the Borrower's ESG profile.

The contractor in charge of the line construction has an integrated management system externally certified according to ISO14001:2004, ISO9001 and OHSAS18001 norms.

In accordance with local legislation, public consultation was carried out through the website of the Ministry of Housing, Land-Use Planning, and the Environment. Despite this, UTE will carry out a Community Information and Communication Program, to present the Project, its potential impacts and benefits, the way in which the negative impacts will be addressed and how the grievance and complaints mechanism will be implemented.

Beyond the Green Bond Principles requirements, in line with international standards, ESG factors have been integrated in the evaluation and selection process, covering main ESG risks related to the Eligible Project.

We recommended to extend as far as possible the advanced Sustainability policies and procedures adopted in the regulated markets to Terna's international activities.

Management of proceeds:

Vigeo Eiris considers that the Borrower's rules for management of proceeds are clearly defined and would enable a transparent allocation process, as standard in Project Finance deals.

Difebal is the Special Purpose Vehicle established by Terna to promote the Project. Funds disbursed under the Loan may not be used for projects other than the Meló-Tacuarembó Transmission Line. Additionally, as is standard in Project Finance deals, the Loan establishes the Conditions Precedent that must be met for the Borrower to disburse. Such conditions include the issuance of a certificate by an Independent Engineer confirming that the proceeds of the disbursements are needed by the Borrower for the purpose of the Project.

Reporting

Terna commits to deliver Monitoring Reports to the bank during the life of the loan whose contents and frequency is defined as it follows:

- Before Technical Completion:
 - o at the end of each calendar quarter a Construction Report including, among others:
 - description of the construction status, including the work completed on the Project during the quarter, including an explanation as to any change in the plans and any unusual conditions or problems encountered;
 - Report on any material changes in local conditions, including government policy changes, which directly affect the Borrower (e.g., changes in government economic strategy, taxation, foreign exchange availability, price controls and other areas of regulation);
 - Statements concerning any problems or causes of delays or downtimes of the construction of the Project, including, without limitation, unforeseen incidents, environmental problems, infrastructure problems, performance of the Contractor and other contractors, known or anticipated, together with an explanation thereof.
- After Technical Completion:
 - o at the end of each Financial year a Development Impact Progress Report, whose content has to be determined yet.
- At the end of the project:
 - o A Development Impact Final Evaluation Report containing all the information required by IIC to produce a report on the developmental impact results of the Project, including details of the Project's economic benefit to the Host Country and their contribution to private sector development or the growth of efficient capital markets in the Host Country.

Conditions and process for data collection, monitoring and reporting are clearly defined. Some reporting indicators related to the use of proceeds have been selected. UTE has not yet defined the environmental benefits indicators. We suggested to solicit the definition of such missing indicators including the associated calculation methodologies.

Terna commits to report on:

- Use of the Loan proceeds

Reporting indicators at Loan level
<ul style="list-style-type: none"> • Amount in USD invested in the loan (outstanding debt) • Percentage of work advancements

- Environmental benefits:

Benefits	Outputs reporting indicators	Impacts reporting indicators
<ul style="list-style-type: none"> • Climate change mitigation 	<ul style="list-style-type: none"> • Installed capacity of the connected renewable assets • Annual renewable energy produced by the connected renewable assets (in MWh) 	<ul style="list-style-type: none"> • Annual GHG emissions avoided by the connected renewable assets (in tCO₂e)

Responsible management (i.e. ESG indicators) of the Project is not currently monitored at corporate level. This Project is not yet integrated in the Corporate annual Sustainability Report. We have recommended to define the information on responsible management at project level and integrate it at corporate level.

In order to report on the Project's outputs measured, Terna could substitute any of the selected indicators when it considers that it is convenient and could integrate any other indicators when appropriate to disclose the performance of such projects.

Vigeo Eiris considers that Terna's overall reporting commitments are good, providing a moderate level of assurance on its capacity to report regularly and transparently on impacts of the Green Loan.

METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris writes an opinion on the Borrower's Corporate Social Responsibility as an organization, and on the objectives, management and reporting of the projects to be (re)financed by this transaction.

Vigeo Eiris' methodology to define and to assess corporate's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behavior and Corporate Governance. The evaluation framework has been customized regarding material issues, based on the Electric & Gaz Utilities assessment framework, projects specificities and emerging issues.

Vigeo Eiris reviewed information provided by the Borrower, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources will be considered as long as they are public, documented and traceable. Vigeo Eiris has reviewed documents and websites of the Borrower, related to the Loan evaluation.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, internal review by the audit department for second party opinions) complemented by a final review and validation by the Direction of Methods. A right of complaint and recourse is guaranteed to all companies under our review, including three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council. All collaborators are signatories of Vigeo Eiris' Code of Ethics.

Part I. SPONSOR

NB: The Borrower performance, i.e., commitments, processes, results of the Borrower, related to ESG issues have been assessed through a complete process of rating and benchmark developed by Vigeo Eiris Rating. Furthermore, this assessment has been completed based on additional information provided by the Borrower and Lender to Vigeo Eiris Enterprise using the ESG assessment methodology developed by Vigeo Eiris.

Level of the Borrower's ESG performance

Terna has been evaluated by Vigeo Eiris in October 2016 on its Corporate Social Responsibility (CSR) performance, based on 25 relevant ESG drivers organized in the 6 sustainability domains. Terna's performance has been assessed by Vigeo Eiris on the basis of its:

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

Stakeholder-related ESG controversies and involvement in controversial activities

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

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

- Severity: the more a controversy will relate to stakeholders' fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the company, the highest its severity. Severity assigned at corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Borrower to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non Communicative).
- Frequency: reflects for each ESG challenge the number of controversies faced. At corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

In addition, 9 controversial activities have been analysed following 30 parameters to verify if the company is involved in any of them. The company's level of involvement (Major, Minor, No) is based on:

- An estimation of the revenues derived from controversial products or services.
- The precise nature of the controversial products or services provided by the company.

Part II. LOAN APPLICATION

The Green Loan framework has been evaluated by Vigeo Eiris according to the Green Bond Principles and our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Use of proceeds

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

Process for expenditure evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris regarding its transparency, governance and efficiency. The relevance and exhaustiveness of selection criteria and associated supporting elements integrated in the Green Loan framework, and the coherence of the process are analysed based on material issues considered in Vigeo Eiris' methodology.

Management of proceeds

The rules for the management of proceeds and the allocation process have been evaluated by Vigeo Eiris regarding their transparency, coherence and efficiency.

Reporting

Reporting indicators, processes and methodologies are defined by the Borrower to enable annual reporting on fund allocation, environmental benefits (output and impact indicators) and on the responsible management of Eligible Projects financed by the Green Loan, collected at project level and potentially aggregated at loan level. Vigeo Eiris has evaluated the relevance of the reporting framework according to three principles: transparency, exhaustiveness and effectiveness.

- Scale of assessment for processes and commitments: Weak, Limited, , Advanced.
- Scale of level of assurance on issuer's capacity: Reasonable, Moderate, Weak.

VIGEO EIRIS'S ASSESSMENT SCALES

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		

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